



16/02/2022

AMENDMENTS: 57

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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Amendments on Basic Acts:

AM 24 - Emma Wiesner - Directive 2003/87/EC / Article 10 – paragraph 1 – subparagraph 2
AM 26 - Emma Wiesner - Directive 2003/87/EC / Article 10 – paragraph 3 – point d
AM 33 - Emma Wiesner - Directive 2003/87/EC / Article 10a – paragraph 2 – subparagraph 6
AM 34 - Emma Wiesner - Directive 2003/87/EC / Article 10a – paragraph 5
AM 43 - Emma Wiesner - Directive 2003/87/EC / Article 10b – paragraph 1
AM 44 - Emma Wiesner - Directive 2003/87/EC / Article 10b – paragraph 4
AM 47 - Emma Wiesner - Directive 2003/87/EC / Article 30 – paragraph 3
AM 53 - Emma Wiesner - Regulation (EU) 2015/757 / Article 2 – paragraph 1
AM 55 - Emma Wiesner - Directive 2003/87/EC / Annex I – point 5
AM 56 - Emma Wiesner - Directive 2003/87/EC / Annex I – table – row 1

Amendments per language:

EN: 58

Amendments justification with more than 500 chars : 0

Amendments justification number with more than 500 chars :

Amendment 1
Emma Wiesner

Proposal for a directive
Recital 15

Text proposed by the Commission

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council⁴⁷, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council⁴⁸, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders.

Amendment

(15) In 2013, the Commission adopted a strategy for progressively integrating maritime emissions into the Union's policy for reducing greenhouse gas emissions. As a first step in this approach, the Union established a system to monitor, report and verify emissions from maritime transport in Regulation (EU) 2015/757 of the European Parliament and of the Council⁴⁷, to be followed by the laying down of reduction targets for the maritime sector and the application of a market based measure. In line with the commitment of the co-legislators expressed in Directive (EU) 2018/410 of the European Parliament and of the Council⁴⁸, action by the International Maritime Organization (IMO) or the Union should start from 2023, including preparatory work on adoption and implementation of a measure ensuring that the sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement and due consideration being given by all stakeholders. ***In order to increase the environmental effectiveness of EU measures and avoid unfair competition and incentives for circumvention, the scope of Regulation (EU) 2015/757 should be amended to cover ships with a gross tonnage above 400. The EU ETS should include such ships where they have annual emissions over 1000 tonnes CO2 equivalents per year. The maritime emissions covered by the EU ETS should also include methane, which should therefore be part of the scope of Regulation (EU) 2015/757.***

⁴⁷ Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC (OJ L 123, 19.5.2015, p. 55).

⁴⁸ Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).

⁴⁷ Regulation (EU) 2015/757 of the European Parliament and of the Council of 29 April 2015 on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC (OJ L 123, 19.5.2015, p. 55).

⁴⁸ Directive (EU) 2018/410 of the European Parliament and of the Council of 14 March 2018 amending Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814 (OJ L 76, 19.3.2018, p. 3).

Or. en

Amendment 2
Emma Wiesner

Proposal for a directive
Recital 24 a (new)

Text proposed by the Commission

Amendment

(24 a) The EU ETS should as much as possible avoid undue exemptions and distortive measures. Municipal waste incineration is an important source of greenhouse gas emissions and should be included under the EU ETS. The inclusion would encourage waste prevention and recycling and contribute to the economy-wide decarbonisation. Since recycling and regeneration activities are already covered by the EU ETS, the inclusion would reinforce incentives for sustainable management of waste in line with the waste hierarchy. It would complement other elements of EU waste legislation. Moreover, integrating waste incineration into the EU ETS would create a level playing field between the regions that have included municipal waste incineration under the scope,

*reducing the risk of tax competition
between regions.*

Or. en

Amendment 3
Emma Wiesner

Proposal for a directive
Recital 26

Text proposed by the Commission

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

Amendment

(26) Achieving the Union's emissions reduction target for 2030 **while at the same time pursuing the goal of the Paris Agreement to limit global warming to 1.5 degrees** will require a **significant** reduction in the emissions of the sectors covered by the EU ETS. The Union-wide quantity of allowances of the EU ETS needs to be reduced **progressively** to create the necessary long-term carbon price signal and drive for this degree of decarbonisation. To this end, the **annual** 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

Justification

The linear reduction factor must be set with the aim of delivering both the EU's minimum 2030 target and making the ETS fit for the 1.5 degree target of the Paris Agreement.

Amendment 4
Emma Wiesner

Proposal for a directive
Recital 27

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 5
Emma Wiesner

Proposal for a directive
Recital 27 a (new)

Text proposed by the Commission

Amendment

(27 a) The main method for allocating emission allowances in the EU ETS is auctioning. The EU ETS should therefore gradually move away from the transitional system of free allocations in order to ensure a market-based system respecting the polluter pays principle.

Or. en

Amendment 6
Emma Wiesner

Proposal for a directive
Recital 28

Text proposed by the Commission

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

Amendment

(28) Achieving the increased climate ambition will require substantial public resources in the EU as well as national budgets to be dedicated to the climate transition. To complement and reinforce the substantial climate-related spending in the EU budget, all auction revenues that are not attributed to the Union budget should be used for climate-related purposes. This includes the use for financial support to address social aspects in lower- and middle-income households by reducing distortive taxes. Further, to ***support the transition to innovative decarbonised technologies and processes, and to the upscaling of relevant technologies across the Union in a way that contributes to mitigating climate change in line with the objectives set out by Regulation 2021/1119***, 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 ***for the Innovation Fund, to be renamed the Net-Zero Fund .***

Or. en

Amendment 7
Emma Wiesner

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

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [.../..] of the European

Parliament and of the Council⁵¹, is an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, they should not receive free allocation. However, a transitional phasing-out of free allowances is needed to allow producers, importers and traders to adjust to the new regime. The reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and **should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year.** The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the **Innovation** Fund, so as to support innovation in low carbon technologies, **carbon capture and utilisation ('CCU'), carbon capture and geological storage ('CCS'), renewable energy and energy storage**, in a way that contributes to mitigating climate change. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

⁵¹ [please insert full OJ reference]

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 2024, 90 % in 2025, 80% in 2026, 70 % in 2027, 50 % in 2028, 25% in 2029 and reach 0 % in 2030. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the **Net-Zero** Fund, so as to support **inter alia** innovation in low carbon technologies **and the upscaling of relevant technologies** in a way that contributes to mitigating climate change **consistently with the objectives set out in Regulation 2021/1119**. 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]

Or. en

Amendment 8
Emma Wiesner

Proposal for a directive
Recital 33

Text proposed by the Commission

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

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to **support both innovation projects and measures that implement and scale up innovative technologies that contribute significantly to decarbonisation in line with the Union's climate targets. To reflect this, the Fund should be renamed "Net-Zero Fund"**. **The Fund** should support innovation in low-carbon technologies and processes that concern the consumption of fuels in the sectors of buildings and road transport. In addition, the Innovation Fund should serve to support investments to decarbonise the maritime transport sector, including investments in sustainable alternative fuels, such as hydrogen and ammonia that are produced from renewables, as well as zero-emission propulsion technologies like wind technologies. Considering that revenues generated from penalties raised in Regulation xxxx/xxxx [FuelEU Maritime]⁵² are allocated to the **Net-Zero** 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 **Net-Zero** Fund

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 *Net-Zero* Fund.

⁵² [add ref to the FuelEU Maritime Regulation].

⁵² [add ref to the FuelEU Maritime Regulation].

Or. en

Amendment 9 **Emma Wiesner**

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 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 *Net-Zero* 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. ***When implementing the CCDs, it must be ensured that they are compliant with State Aid and world trade rules, and compatible with the Carbon Border Adjustment Mechanism, and that they are designed in a way that does not distort the ETS market. It is crucial that they are based on market principles and transparency.***

Amendment 10
Emma Wiesner

Proposal for a directive
Recital 37 a (new)

Text proposed by the Commission

Amendment

(37 a) It is the nature of the EU ETS that auctioning of allowances is the default allocation method, with transitional free allocation in place as a protection against the risk of carbon leakage. Free allocation of emission allowances to prevent carbon leakage should be targeted on those sectors genuinely exposed to such risks while maintaining appropriate protection against carbon leakage also in sectors outside the CBAM. The carbon leakage list should therefore be revised to reflect the different levels of exposure to carbon leakage risks. Furthermore, to provide incentives for decarbonisation and recognise emissions reductions, installations whose emissions are below the relevant benchmark values should be exempted from the cross-sectoral correction factor, in case such factor is applied.

Or. en

Amendment 11
Emma Wiesner

Proposal for a directive
Recital 38

Text proposed by the Commission

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

(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.

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

Or. en

Amendment 12
Emma Wiesner

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**

Justification

Linked to the deletion of Commission proposal in Annex I, point 1.

Amendment 13
Emma Wiesner

Proposal for a directive
Recital 67 a (new)

Text proposed by the Commission

Amendment

(67 a) In line with Regulation 2021/1119 (European Climate Law), highest priority should be given to direct emissions reductions, which will have to be complemented by increased CO₂ removals in order to achieve climate neutrality. Therefore, a future revision of the ETS and of the overall EU climate policy framework should also analyse how negative emissions could be included in emissions trading, including a clear scope and strict criteria and safeguards to ensure that such removals are not merely offsetting necessary emissions reductions but are genuine and permanent.

Or. en

Amendment 14
Emma Wiesner

Proposal for a directive
Recital 67 b (new)

Text proposed by the Commission

Amendment

(67 b) The success of the European carbon market is critical from a global perspective, as it will encourage more countries to introduce market driven

carbon pricing. The Carbon Border Adjustment Mechanism will extend carbon pricing to imported products sold on the EU market, but the EU should at the same time engage in international cooperation for the introduction of carbon pricing mechanisms. The Commission should further analyse how linkages with other carbon markets could be established while ensuring the achievement of the EU's own economy-wide climate target. The Commission should actively pursue the establishment of an international "Carbon club" for ensuring continuous exchange in good faith with the EU's trade partners. Its objective should be to allow for the comparison and coordination of carbon pricing measures as well as non-carbon pricing measures with an impact on emission reduction. The Carbon club should also support the comparability of climate measures by ensuring the quality of climate monitoring, reporting and verification among its members. Membership of the club should be informal, open and on a voluntary basis for countries aiming at high climate ambition in line with the Paris Agreement.

Or. en

Amendment 15
Emma Wiesner

Proposal for a directive
Recital 67 c (new)

Text proposed by the Commission

Amendment

(67 c) In addition to effective carbon pricing based on a well-function emission trading system, market transparency is of key importance for enabling swift and cost-efficient emissions reductions in all sectors of the economy. To allow consumers and all actors along the supply

chain to make informed choices concerning the emission embedded in products, a European system for robust carbon footprint labelling of products should be developed.

Or. en

Amendment 16
Emma Wiesner

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

Text proposed by the Commission

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

Amendment

1. This Directive shall apply to the activities listed in Annexes I and III, and to the of greenhouse gases listed in Annex II. Where an installation that is included in the scope of the EU ETS due to the operation of combustion units with a total rated thermal input exceeding 20 MW changes its production processes to reduce its greenhouse gas emissions and no longer meets that threshold ***or no longer emits greenhouse gases, it may decide to*** remain in the scope of the EU ETS.

Or. en

Justification

In sectors receiving free allocation of emission allowances, the current rules punishes frontrunners. Installations phasing out fossil fuels risk being excluded from the ETS scope and thus losing out of free allocation that fossil-based production continues to receive. To avoid this, such installations should be able to choose to remain in the ETS as long as the system of free allocations is in place.

Amendment 17
Emma Wiesner

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Proposal for a directive
Article 1 – paragraph 1 – point 4
Directive 2003/87/EC
Article 3a

Text proposed by the Commission

Articles 3b to 3f shall apply to the allocation and issue of allowances in respect of the aviation activities listed in Annex I. Articles 3g to 3ge shall apply in respect of the maritime transport activities listed in Annex I.

Amendment

Articles 3b to 3f shall apply to the allocation and issue of allowances in respect of the aviation activities listed in Annex I. Articles 3g to 3ge shall apply in respect of the maritime transport activities listed in Annex I, ***in respect of CO₂ and methane emissions from ships with greenhouse gas emissions above 1000 tonnes CO₂eq per year.***

Or. en

Justification

In order not to cover the smallest ships and the smallest emitters, an emissions threshold should be included for inclusion of ships in the ETS.

Amendment 18
Emma Wiesner

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

Text proposed by the Commission

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

Amendment

1. The allocation of allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect 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, the emissions from ships performing voyage departing from a port outside the jurisdiction of a Member State and arriving

jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State, **one hundred percent (100 %) of** emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State and **one hundred percent (100 %) of** emissions from ships at berth in a port under the jurisdiction of a Member State.

at a port under the jurisdiction of a Member State, 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 emissions from ships at berth in a port under the jurisdiction of a Member State.

Or. en

Justification

The full inclusion of the maritime sector in the EU ETS is critical in order to achieve emissions reductions in the maritime sector in line with the EU's climate targets and the goal of the Paris Agreement. As long as equivalent measures are not taken at the international level or by third countries, the scope should be 100% of all voyages, corresponding to the Parliament's previous positions on this matter.

Amendment 19 **Emma Wiesner**

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

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. 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. ***The report shall examine the ambition and overall environmental***

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

integrity of the measures decided upon by IMO, including their general ambition in relation to targets under the Paris Agreement, to the Union economy-wide GHG emissions reduction target for 2030 and to the climate-neutrality objective as defined in Regulation (EU) 2021/1119.

Where appropriate, the Commission may *accompany* the report with a legislative proposal to the European Parliament and to the Council to amend this Directive, *including concerning its coverage of voyages to and from the EU, in a manner that is consistent with the aim of preserving the environmental integrity and effectiveness of Union climate action, in particular the Union economy-wide GHG emissions reduction target for 2030 and the climate-neutrality objective as defined in Regulation (EU) 2021/1119.*

Or. en

Justification

Future measures under the IMO shall be kept under review and shall if appropriate trigger adaptations of the parameters of the EU ETS. Restating of EP position.

Amendment 20 **Emma Wiesner**

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

Text proposed by the Commission

Amendment

(6 a) Article 3ge a

Ocean Fund

1. 50 % of the revenues generated from the auctioning of allowances referred to in Article 3g shall be auctioned to establish a fund ('the Ocean Fund') under the Fund established under Article

10a(8), applying the rules for governance and support as laid down in that Article. Its objective shall be to support projects and investments referred to in paragraph 2. Furthermore, the external assigned revenues referred to in Article 21(2) of Regulation (EU) [FuelEU Maritime] shall be allocated to the Ocean Fund.

2. Funds provided under the Ocean Fund shall be used to support projects and investments in relation to the following: improvement of the energy efficiency of ships and ports; innovative technologies and infrastructure for decarbonising the maritime transport sector, including as regards short sea shipping and ports; deployment of sustainable alternative fuels, such as hydrogen and ammonia, that are produced from renewable energy; zero-emission propulsion technologies, including wind technologies; development of innovative technologies and fuels for ice-class ships and winter navigation in frozen areas. 20% of the revenues under the Fund shall be used to contribute to the protection, restoration and better management of marine ecosystems impacted by global warming, such as marine protected areas; and to promote a crosscutting sustainable blue economy such as renewable marine energy.

Or. en

Amendment 21
Emma Wiesner

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

Text proposed by the Commission

Amendment

From [the year of entry into force of this amendment], the provisions of this Chapter

shall apply to greenhouse gas emissions permits in respect of municipal waste incineration installations. The obligation to surrender allowances in respect of emissions from these installations shall apply to emissions from the year 2025 onwards.

Or. en

Justification

Municipal waste incineration installations should also be included under the scope of the EU ETS scope in order to apply the polluter-pays principle, to encourage waste prevention and recycling in all Member States, to contribute to economy-wide decarbonisation and to ensure level playing field on the European market.

Amendment 22 **Emma Wiesner**

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

Text proposed by the Commission

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

Amendment

In [the year following entry into force of this amendment], the Union-wide quantity of allowances shall ***equal the average emissions of the previous three years, adjusted, from the mid-point of this period, by the linear reduction factor***. In the same year, the Union-wide quantity of allowances shall be increased by ***a number of allowances corresponding to the emissions from*** maritime transport ***activities reported in accordance with Regulation (EU) 2015/757 for 2018 and 2019 in the Union, adjusted, from year 2021, by the linear reduction factor***. In [the year following entry into force of this amendment], the linear factor shall be 4,2 %. ***In each subsequent year, the reduction factor shall increase by 0,1 percentage points compared to the previous year***. The

Commission shall publish the Union-wide quantity of allowances within 3 months of [date of entry into force of the amendment to be inserted];

Or. en

Justification

The reduction factor must be adjusted to keep the ETS fit for the 1.5 degree ambition and ensure an effective long-term decarbonisation incentive. Firstly, the ETS cap should be rebased starting from the most recent emission levels in order to bring it closer to real emissions. Secondly, it is unrealistic to assume a linear path with equal annual reductions. Taking into account technological progress and complementing regulation, emissions are expected to fall exponentially, which should be reflected in the reduction factor to ensure that the ETS remains effective and predictable.

Amendment 23 **Emma Wiesner**

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point a

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 4

Text proposed by the Commission

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

Amendment

In addition, 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 **Net-Zero Fund established** in accordance with **Article 10a(8) to support to the transition to innovative decarbonised technologies and processes, and to the upscaling of relevant technologies across the Union, in a way that contributes to mitigating climate change in line with the objectives set out by Regulation 2021/1119.**

Or. en

Justification

A larger share of allowances should be allocated to scale EU-wide innovations, in order to reach cost efficient carbon cuts at large scale and give support and incentives for investments in the decarbonisation of EU industries and power production..

Amendment 24
Emma Wiesner

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 2

Present text

From 2021 onwards, and without prejudice to a possible reduction pursuant to Article 10a(5a), the share of allowances to be auctioned shall be 57%.

Amendment

(a a) Article 10, paragraph 1, subparagraph 2 is amended as follows:

"From 2021 onwards, and without prejudice to a possible reduction pursuant to Article 10a(5a), the share of allowances to be auctioned shall be 57%. **From [the year following entry into force of this amendment] onwards, and without prejudice to a possible reduction pursuant to Article 10a(5a), the share of allowances to be auctioned shall be 60%. The share of allowances to be auctioned, without prejudice to a possible reduction pursuant to Article 10a(5a) shall thereafter be revised upwards as follows: 70% from 2028, and 80% from 2030. From 2035 onwards, all allowances shall be auctioned.**

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003L0087>)

Justification

In order to ensure a market-based system respecting the polluter pays principle, the EU ETS should gradually move away from free allocation and ensure that auctioning is the main principle for the allocation of allowances.

Amendment 25
Emma Wiesner

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point b

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1

Text proposed by the Commission

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

Amendment

3. Member States shall determine the use of revenues generated from the auctioning of allowances, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget. 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

In order to ensure a level playing field on the EU market, the possibility for Member States to support installations with indirect cost compensation should be removed.

Amendment 26

Emma Wiesner

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – point d

Present text

(d) forestry sequestration in the Union;

Amendment

(b a) in paragraph 3, point (d) is amended as follows:

"(d) forestry ***and soil*** sequestration in the Union;

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101>)

Amendment 27
Emma Wiesner

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

Text proposed by the Commission

Amendment

(h a) to finance national climate dividend schemes with a proven positive environmental impact as documented in the annual report referred to in Article 19(2) of Regulation (EU) 2018/1999;

Or. en

Amendment 28
Emma Wiesner

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

Text proposed by the Commission

Amendment

(h b) nature restoration of forests and other marine or land based ecosystems, including financing for the creation of nature conservation areas;

Or. en

Justification

ETS revenues should be available for a range of climate-related objectives. Nature restoration of forests, marine- and land based ecosystems are important measures to increase carbon sinks and reach biodiversity targets.

Amendment 29
Emma Wiesner

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

By January 2025, economic operators in sectors or sub-sectors eligible for free allocation of emissions allowances pursuant to Article 10a and 10b shall establish industrial decarbonisation plans. These plans shall be carried out at company level and cover measures and related investments for each installation owned by the company. The decarbonisation plans shall be consistent with the objective to achieve carbon neutrality by 2050 at the latest as laid down in Regulation (EU) 2021/1119. The plan shall be consistent with any sectoral roadmaps prepared in accordance with Article 10 of Regulation (EU) 2021/1119.

The industrial decarbonization plan shall include:

- a) targets and milestones set by the operator to reach, at company level, the necessary emissions reductions to Union climate objectives laid down in Regulation (EU) 2021/1119;***
- b) measures and related financial and investments plans for each installation owned by the company, in particular identifying installations that will be replaced by new low-carbon technologies, modernised, retrofitted or closed;***
- c) an explanation of how the measures and related investments referred to in point (b) will reduce greenhouse gas***

emissions in order to reach the targets and milestones referred to in point (a);

e) a description of the progress made towards achieving these targets.

The attainment of the targets and milestones referred to in point (a) of the previous subparagraph shall be verified by 31 December 2025 and by 31 December every year thereafter, in accordance with the verification and accreditation procedures provided for in Article 15.

If the targets and milestones set in accordance with point (a) are not achieved:

a) The installations that are amongst the 10% least efficient installations in a sector or subsector in the Union shall no longer receive free allocation;

b) For installations that are more efficient than the 10% least efficient installations but worse than the 60% most efficient installations in a sector or subsector in the Union, free allowances shall be reduced by 50%;

c) For installations falling outside of the two categories described above, free allocations shall be reduced by 25%.

Any allowances that are not allocated due to a reduction of free allocation in accordance with the rules laid down above shall be transferred in the Net-Zero Fund.

In case a company has not established an industrial decarbonisation plan, it shall no longer receive free allocation.

Furthermore, in the case of installations covered by the obligation to conduct an energy audit or have a certified energy management system 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 ***a certified energy management system can be proven*** or the recommendations of the audit report are implemented, to the extent that the pay-back time for the relevant investments does not exceed ***eight*** years and that the costs of those investments are proportionate. Otherwise, the amount of free allocation shall be reduced by ***50%***. The amount of free allocation shall not be reduced if an operator demonstrates that it has implemented other measures which lead to greenhouse gas emission reductions equivalent to those recommended by the audit report. The measures referred to in the first subparagraph shall be adjusted accordingly.

Or. en

Justification

The Commission proposes free allocation will be made conditional on decarbonization efforts. These criteria should be made stronger to ensure additional climate impact.

Amendment 30 **Emma Wiesner**

Proposal for a directive

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

Directive 2003/87/EC

Article 10a – paragraph 1 – subparagraph 3

Text proposed by the Commission

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

Amendment

In order to provide further incentives for reducing greenhouse gas emissions, improving energy efficiency ***and promote innovative decarbonised products***, the determined Union-wide ex-ante benchmarks shall be reviewed ***by [6 months of the entry into force of this Directive]*** in view of modifying ***and broadening the scope of*** the definitions and system boundaries of existing product

benchmarks *ensuring that, depending on the benchmark, free allocation for the production of a product is independent of the feedstock or the type of production process, accounts for the circular use potential of materials, and avoids that installations with partially or fully decarbonised processes producing products with similar or equal characteristics as conventional installations in the benchmark are excluded from or cannot participate in the benchmarks.*

Or. en

Justification

The way emission benchmarks are defined today does not always reflect the actual best performers in each sector, which misses the real potentials for improvement, and lowers the ambition level. In sectors receiving free allocations, the current rules often punish companies that invest in decarbonisation. Installations phasing out fossil fuels risk being excluded from the ETS scope and losing out of free allocation that fossil-based production continues to receive. This incentivises prolonged use of fossil fuels and delays necessary emission reductions.

Amendment 31 **Emma Wiesner**

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

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**

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 **from** the entry into force of [CBAM regulation] **until 31 December 2024, 90% in 2025,**

2026 and **shall be reduced by 10 percentage points each year to reach 0 % by the tenth year.**

80% in 2026, 70 % in 2027, 50 % in 2028, 25% in 2029 and reach 0 % in 2030.

Or. en

Justification

A rapid phase in of the Carbon Boarder Adjustment Mechanism is critical to safeguard the polluter-pays principle. To ensure stability and predictability of the system, the CBAM should be phased in during phase 4 of the ETS .

Amendment 32 **Emma Wiesner**

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

Text proposed by the Commission

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

Amendment

Allowances resulting from the reduction of free allocation shall be made available to support innovation **and to scale up zero- and low-carbon technologies contributing significantly to climate neutrality in the Union** in accordance with Article 10a(8).;

Or. en

Amendment 33 **Emma Wiesner**

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point c – point iii a (new)
Directive 2003/87/EC
Article 10a – paragraph 2 – subparagraph 6

Present text

In order to promote efficient energy recovery from waste gases, for the period referred to in point (b) of the third

Amendment

(iii a) paragraph 2, supbaragraph 6 is deleted

"

subparagraph, the benchmark value for hot metal, which predominantly relates to waste gases, shall be updated with an annual reduction rate of 0,2 %.

Deleted

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101>)

Justification

The benchmarks must ensure a level playing field between different benchmark categories.

Amendment 34 **Emma Wiesner**

Proposal for a directive

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

Directive 2003/87/EC

Article 10a – paragraph 5

Present text

5. In order to respect the auctioning share set out in Article 10, for every year in which the sum of free allocations does not reach the maximum amount that respects the auctioning share, the remaining allowances up to that amount shall be used to prevent or limit reduction of free allocations to respect the auctioning share in later years. Where, nonetheless, the maximum amount is reached, free allocations shall be adjusted accordingly. Any such adjustment shall be done in a uniform manner.

Amendment

(d a) Article 10a, paragraph 5 is amended as follows:

"5. In order to respect the auctioning share set out in Article 10, for every year in which the sum of free allocations does not reach the maximum amount that respects the auctioning share, the remaining allowances up to that amount shall be used to prevent or limit reduction of free allocations to respect the auctioning share in later years. Where, nonetheless, the maximum amount is reached, free allocations shall be adjusted accordingly. Any such adjustment shall be done in a uniform manner. ***However, installations whose greenhouse gas emission levels are below the average of the 10% most efficient installations in a sector or subsector in the Union in the years 2021 and 2022 for the relevant product***

benchmarks shall be exempted from the adjustment.

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101>)

Justification

To further incentivise decarbonisation, without increasing the overall amount of free allowances, installations with emissions below the benchmark should be shielded from the application of the cross-sectoral correction factor.

Amendment 35
Emma Wiesner

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point e – introductory part

Text proposed by the Commission

Amendment

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

(e) *paragraph 6 is deleted*

Or. en

Justification

In order to ensure a level playing field on the EU market, the possibility for Member States to support installations with indirect cost compensation should be removed.

Amendment 36
Emma Wiesner

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

Text proposed by the Commission

Amendment

8. **365** million allowances from the quantity which could otherwise be

8. **425** 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.

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 *the allowances referred to in Article 10(1), fourth subparagraph, and all* 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 *and the scaling up of technologies contributing significantly to the decarbonisation of the sectors covered by this regulation* (the ‘Net-Zero 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. *The Ocean Fund established under Article 3gdb shall operate as part of the Innovation Fund.*

Or. en

Justification

Both innovation and implementation are key in order to achieve climate neutrality. In order to fully reflect this, the scope of innovation fund should be broadened by adding possibilities for deployment and scale-up of innovative technologies as well as carbon sinks. This shift should also be acknowledge by changing the name to the “Net Zero Fund”.

Amendment 37 **Emma Wiesner**

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point g
Directive 2003/87/EC
Article 10a – paragraph 8 – subparagraph 2

Text proposed by the Commission

In addition, 50 million unallocated allowances from the market stability reserve shall supplement any remaining

Amendment

In addition, 50 million unallocated allowances from the market stability reserve shall supplement any remaining

revenues from the 300 million allowances available in the period from 2013 to 2020 under Commission Decision 2010/670/EU(*), and shall be used in a timely manner for innovation support as referred to in the first subparagraph. Furthermore, the external assigned revenues referred to in Article 21(2) of Regulation (EU) [FuelEU Maritime] shall be allocated to the **Innovation** Fund and implemented in line with this paragraph.

revenues from the 300 million allowances available in the period from 2013 to 2020 under Commission Decision 2010/670/EU(*), and shall be used in a timely manner for innovation **and decarbonisation** support as referred to in the first subparagraph. Furthermore, the external assigned revenues referred to in Article 21(2) of Regulation (EU) [FuelEU Maritime] shall be allocated to the **Ocean Fund as part of the Net-Zero** Fund and implemented in line with this paragraph.

Or. en

Amendment 38 Emma Wiesner

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 3

Text proposed by the Commission

The **Innovation** Fund shall cover the sectors listed in Annex I and Annex III, including environmentally safe carbon capture and utilisation (“CCU”) that contributes substantially to mitigating climate change, as well as products substituting carbon intensive ones produced in sectors listed in Annex I, and to help stimulate the construction and operation of projects aimed at the environmentally safe capture and geological storage (“CCS”) of CO₂, **as well as of innovative renewable energy and energy storage technologies; in geographically balanced locations. The Innovation Fund may also support breakthrough 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

Amendment

The **Net-Zero** 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 **innovative renewable energy and energy storage technologies, and of** projects aimed at the environmentally safe capture and geological storage (“CCS”) of CO₂, **including Direct Air Capture (“DAC”). The Net-Zero Fund shall also support decarbonisation in** the maritime sector, **through the Ocean Fund, and provide support** for the production of zero-carbon fuels in aviation, rail and road transport. **Support from the Fund shall include** projects in sectors covered by the [CBAM regulation] to support innovation **and**

[CBAM regulation] to support innovation *in* low carbon technologies, *CCU, CCS*, renewable energy *and* energy storage, in a way that contributes to mitigating climate change.

implementation of low carbon technologies, renewable energy, energy storage, *as well as CCU and CCS*, in a way that contributes to mitigating climate change *in accordance with the objectives set out in Regulation (EU) 2021/1119 for 2030 and 2050*.

Or. en

Amendment 39
Emma Wiesner

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 represent breakthrough solutions or be sufficiently mature for application at pre-commercial scale, *and/or contribute significantly to the objective of climate neutrality and could not be deployed at large scale without support*.

Or. en

Amendment 40
Emma Wiesner

Proposal for a directive
Article 1 – paragraph 1 – point 12 – point g
Directive 2003/87/EC
Article 10a – paragraph 8 – subparagraph 5

Text proposed by the Commission

The Commission shall ensure that the allowances destined for the *Innovation*

Amendment

The Commission shall ensure that the allowances destined for the *Net-Zero* Fund

Fund are auctioned in accordance with the principles and modalities laid down in Article 10(4). Proceeds from the auctioning shall constitute external assigned revenue in accordance with Article 21(5) of the Financial Regulation. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.

are auctioned in accordance with the principles and modalities laid down in Article 10(4). Proceeds from the auctioning shall constitute external assigned revenue in accordance with Article 21(5) of the Financial Regulation. Budgetary commitments for actions extending over more than one financial year may be broken down over several years into annual instalments.

Or. en

Amendment 41
Emma Wiesner

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

Amendment

Projects shall be selected on the basis of objective and transparent criteria, taking into account ***the extent to which projects provide a significant contribution to the Union's climate targets, and***, 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 ***climate neutral*** 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

100 % of the relevant costs of projects may be supported.

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. *Projects whose reduction in emissions benefit the decarbonisation of other actors in nearby geographical areas, such as the construction of relevant energy infrastructures, shall have a preferential treatment in the criteria used for the selection of projects.*

Or. en

Amendment 42
Emma Wiesner

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

Text proposed by the Commission

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

Amendment

The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning rules on the operation of the *Net-Zero* Fund, including the selection procedure and criteria, and the eligible sectors and technological requirements for the different types of support. *The Commission shall aim for a timetable that frontloads the support from the Fund to the beginning of the period.*

Or. en

Amendment 43
Emma Wiesner

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

1. Sectors and subsectors *in relation to which the product resulting from multiplying* their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of *imports from* third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), by their emission intensity, measured in kgCO₂, divided by their gross value added (in euros), exceeds **0,2**, shall be deemed to be at risk of carbon leakage. *Such sectors and subsectors shall* be allocated allowances free of charge for the period *until* 2030 at **100 %** of the quantity determined pursuant to Article 10a.

(12 a) Article 10b, paragraph 1 is amended as follows:

"1. To determine the exposure to the risk of carbon leakage for sectors and subsectors, their intensity of trade with third countries, defined as the ratio between the total value of exports to third countries plus the value of *imports from* third countries and the total market size for the European Economic Area (annual turnover plus total imports from third countries), *shall be multiplied* by their emission intensity, measured in kgCO₂, divided by their gross value added (in euros).

If this product exceeds 2,0, these sectors and sub-sectors shall be deemed to be at high risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 100% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

If this product exceeds 0,2, these sectors and sub-sectors shall be deemed to be at medium risk of carbon leakage and be allocated allowances free of charge for the period up to 2030 at 60% of the quantity determined in accordance with the measures adopted pursuant to Article 10a.

If this product is below 0,2, these sectors and sub-sectors shall be deemed to be at insignificant risk of carbon leakage and shall not be allocated allowances free of charge.

"

Or. en

Justification

Free allocation of emission allowances to prevent carbon leakage should be targeted on those sectors genuinely exposed to such risks. Therefore, and to limit the need to apply the cross-sectoral correction factor, the carbon leakage list should be revised to reflect the different levels of exposure to carbon leakage risks. The thresholds are based on the "tiered approach" set out in the European Commission Impact Assessment accompanying the proposal.

Amendment 44
Emma Wiesner

Proposal for a directive

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

Directive 2003/87/EC

Article 10b – paragraph 4

Present text

4. Other sectors and subsectors are considered to be able to pass on more of the costs of allowances in product prices, and shall be allocated allowances free of charge at 30 % of the quantity determined pursuant to Article 10a. Unless otherwise decided in the review pursuant to Article 30, free allocations to other sectors and subsectors, except district heating, shall decrease by equal amounts after 2026 so as to reach a level of no free allocation in 2030.

Amendment

(12 b) Article 10b, paragraph 4 is amended as follows:

"4. Sectors and subsectors with a carbon leakage indicator as referred to in paragraph 1 below 0,2 shall be deemed to be at insignificant risk of carbon leakage and shall not be allocated allowances free of charge.

"

Or. en

Justification

Free allocation of emission allowances to prevent carbon leakage should be targeted on those sectors genuinely exposed to such risks. Therefore, and to limit the need to apply the cross-sectoral correction factor, the carbon leakage list should be revised to reflect the different levels of exposure to carbon leakage risks.

Amendment 45
Emma Wiesner

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) Article 10c *is deleted;*

Or. en

Justification

All revenues from the ETS should be used to finance the climate transition and supporting the objectives of the Green Deal.

Amendment 46
Emma Wiesner

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

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

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

Or. en

Justification

It is important to fully align the Modernisation Fund with the Green Deal and the objectives of the European Climate Law.

Amendment 47
Emma Wiesner

Proposal for a directive

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

Directive 2003/87/EC

Article 30 – paragraph 3

Present text

The Commission shall report to the European Parliament and to the Council in the context of each global stocktake agreed under the Paris Agreement, in particular with regard to the need for additional Union policies and measures in view of necessary greenhouse gas reductions by the Union and its Member States, including in relation to the linear factor referred to in Article 9. The Commission may make proposals to the European Parliament and to the Council to amend this Directive where appropriate.

Amendment

(19 a) Article 30, paragraph 3 is modified as follows:

"The Commission shall report to the European Parliament and to the Council in the context of each global stocktake agreed under the Paris Agreement, in particular with regard to the need for additional Union policies and measures in view of necessary greenhouse gas reductions by the Union and its Member States, including in relation to the linear factor referred to in Article 9. The Commission may make proposals to the European Parliament and to the Council to amend this Directive where appropriate. ***The proposals shall ensure compliance with Union climate targets as laid down in Regulation (EU) 2021/1119 (European Climate Law), and shall represent progression over time and reflect the highest possible ambition, in line with the Paris Agreement.***

"

Or. en

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003L0087>)

Amendment 48
Emma Wiesner

Proposal for a directive

Article 1 – paragraph 1 – point 20 – point i (new)

Directive 2003/87/EC

Article 30 – paragraph 4a (new)

Text proposed by the Commission

Amendment

- i) ***The following paragraph is added:***
4a (new) Before 31 December 2028, the Commission shall submit a report to the European Parliament and the Council analysing how negative emissions could be included in emissions trading in the Union, including a clear scope and strict criteria and safeguards to ensure that such removals are not merely offsetting necessary emissions reductions but are genuine and permanent. The report shall, where appropriate, be accompanied by a legislative proposal.

Or. en

Amendment 49
Emma Wiesner

Proposal for a directive
Article 1 – paragraph 1 – point 20 – point ii (new)
Directive 2003/87/EC
Article 30 – paragraph 4aa (new)

Text proposed by the Commission

Amendment

- ii) ***The following paragraph is added:***
When reviewing this Directive in accordance with paragraph 1-3, the Commission shall analyse how linkages with other carbon markets can be established, while ensuring the achievement of the Union's economy-wide climate target.

Or. en

Amendment 50
Emma Wiesner

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

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Text proposed by the Commission

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

Amendment

1. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than **1.5 times** the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this Chapter, the Commission shall, as a matter of urgency, adopt a decision to release **75** million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.

Or. en

Justification

The excessive price increase mechanism must be made more operational: the threshold for triggering it should be softened as otherwise it is likely that this mechanism would never be triggered.

Amendment 51
Emma Wiesner

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

Text proposed by the Commission

2. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than three times the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this

Amendment

2. Where, for more than three consecutive months, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than three times the average price of allowance during the six preceding consecutive months in the auctions for the allowances covered by this

Chapter, the Commission shall, as a matter of urgency, adopt a decision to release **150** million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.

Chapter, the Commission shall, as a matter of urgency, adopt a decision to release **160** million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814.

Or. en

Justification

The excessive price increase mechanism must be made more operational in order to effectively mitigate price hikes.

Amendment 52 **Emma Wiesner**

Proposal for a directive

Article 2 – paragraph 1 – point 1 – point c

Decision (EU) 2015/1814

Article 1 – paragraph 5 – subparagraph 1

Text proposed by the Commission

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

Amendment

5. In any given year, if the total number of allowances in circulation is between **700** million and **1 000** million, a number of allowances equal to the difference between the total number of allowances in circulation, as set out in the most recent publication as referred to in paragraph 4 of this Article, and **700** 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 **1 000** 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.**

that year shall be equal to **30** % of the total number of allowances in circulation. **Starting in 2025, the thresholds of 700 million allowances and 1000 million allowances shall decline each year in accordance with the reduction factor specified in Article 9.**

Or. en

Justification

For the MSR to remain effective in addressing oversupply throughout the trading period, and fully capable of absorbing any external shocks, its parameters need to be stronger and more dynamic. This includes a lower intake threshold (see Commission impact assessment) and a declining cap that keeps pace with the reduction of the ETS emissions cap.

Amendment 53 **Emma Wiesner**

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

Present text

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

Amendment

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

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

"

Or. en

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

Justification

The scope of the maritime ETS will have a great impact on the potential emission cuts and on the level playing field. The 5000 GT threshold risks creating loopholes and unbalances between ship types and punish frontrunners that e.g. have increased their gross tonnage in order to improve working environments.

Amendment 54

Emma Wiesner

Proposal for a directive

Annex I – paragraph 1 – point a

Directive 2003/87/EC

Annex I – point 1

Text proposed by the Commission

Amendment

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. **deleted**

Or. en

Justification

The proposed new threshold for the amount of bioenergy used in installations or processes without being excluded of the ETS scope risks delaying necessary investments to decarbonise.

Amendment 55

Emma Wiesner

Proposal for a directive

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

Directive 2003/87/EC

Annex I – point 5

Present text

5. When the capacity threshold of any activity in this Annex is found to be exceeded in an installation, all units in which fuels are combusted, other than units for the incineration of hazardous *or municipal* waste, shall be included in the greenhouse gas emission permit.

Amendment

(a a) Annex I, point 5 is amended as follows:

"5. When the capacity threshold of any activity in this Annex is found to be exceeded in an installation, all units in which fuels are combusted, other than units for the incineration of hazardous waste, shall be included in the greenhouse gas emission permit.

"

Or. en

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02003L0087-20210101>

Justification

Municipal waste incineration installations should also be included under the scope of the EU ETS scope in order to apply the polluter-pays principle, to encourage waste prevention and recycling in all Member States, to contribute to economy-wide decarbonisation and to ensure level playing field on the European market.

Amendment 56
Emma Wiesner

Proposal for a directive
Annex I – paragraph 1 – point b – point -i (new)
Directive 2003/87/EC
Annex I – table – row 1

Present text

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

Carbon dioxide

Amendment

(-i) The first row is replaced by the following:

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

Carbon dioxide

"

Or. en

Justification

Municipal waste incineration installations should also be included under the scope of the EU ETS scope in order to apply the polluter-pays principle, to encourage waste prevention and recycling in all Member States, to contribute to economy-wide decarbonisation and to ensure level playing field on the European market.

Amendment 57

Emma Wiesner

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

Part B of Annex IIb is deleted as consequence of amendment to Article 10(1), fourth subparagraph.