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From: General Secretariat of the Council
To: Delegations
Subject: Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors
- Letter to the Chair of the European Parliament Committee for Environment, Public Health and Food Safety (ENVI)

Following the Permanent Representatives Committee meeting of 24 June 2026 which endorsed the final compromise text with a view to agreement, delegations are informed that the Presidency sent the attached letter, together with its Annex, to the Chair of the European Parliament Committee for Environment, Public Health and Food Safety (ENVI).

SGS 26/02322



Brussels, 24 June 2026

Mr Pierfrancesco MARAN

Chair, European Parliament Committee for Environment, Public Health and Food Safety

European Parliament
60, rue Wiertz / Wiertzstraat 60
B-1047 Bruxelles/Brussel

Subject: *Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors (2025/0380 (COD))*

Dear Mr MARAN,

Following the informal meeting between the representatives of the three institutions on 10 June 2026, the provisional compromise text for a Proposal for a Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings, road transport and additional sectors was agreed today by the Permanent Representatives' Committee.

I am therefore now in a position to confirm that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise text contained in the Annex to this letter (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

On behalf of the Council, I also wish to thank you for your close cooperation which should enable us to reach agreement on this dossier at first reading.

Yours sincerely,



Georgios IOANNIDIS

Chair of the Permanent Representatives Committee (Part 1)

copy to: Wopke HOEKSTRA, Commissioner,
Danuše NERUDOVA, Rapporteur

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Decision (EU) 2015/1814 as regards the market stability reserve for the buildings,
road transport and additional sectors**

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ *OJ C*, C/2026/1968, 28.4.2026, ELI: <http://data.europa.eu/eli/C/2026/1968/oj> .

² *OJ C* , , p. .

- (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'). The Parties to the Paris Agreement have agreed to hold the increase in the global average temperature to 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.
- (1a) ***The conclusions of the European Council of 12 December 2019 endorse the objective of achieving a climate-neutral Union by 2050, in line with the objectives of the Paris Agreement.***
- (2) Decision (EU) 2015/1814 of the European Parliament and of the Council³ established a market stability reserve in order to mitigate the risk of supply and demand imbalances associated with the start of emissions trading for the buildings, road transport and additional sectors, as well as to make it more resistant to market shocks.
- (3) The analysis carried out of the expected functioning of the reserve, taking into account recent information, indicates that targeted amendments to some parameters would contribute to improving market predictability and to the stability of price movements in the early years of the new system.

³ 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, ELI: <http://data.europa.eu/eli/dec/2015/1814/oj>).

- (3a) *Achieving the EU’s climate targets will require substantial public and private investments in the Union and in Member States to be dedicated to climate and energy transition measures in buildings and road transport, with additional green investment needs projected until 2030. Complementary national measures should accompany the emissions trading system for the buildings, road transport and additional sectors, enabling households and transport users to effectively respond by transitioning to clean heating and road transport alternatives. In accordance with Article 30d(6) of Directive 2003/87/EC of the European Parliament and of the Council⁴, Member States should spend the auction revenues from emissions trading for the buildings, road transport and additional sectors on the climate and energy-related purposes specified for the existing emissions trading system, giving priority to activities that can contribute to addressing social aspects of the emissions trading in the buildings, road transport and additional sectors, or for measures specifically to address related concerns for those sectors, including for the national contribution to the total estimated costs of the Social Climate Plan in accordance with Article 15 of Regulation (EU) 2023/955 of the European Parliament and of the Council⁵.***
- (4) In order to increase long-term market predictability, the allowances placed in the reserve for the buildings, road transport and additional sectors that have not been released should remain valid beyond 31 December 2030.
- (5) In the event that the total number of allowances in circulation reaches a level below 260 million allowances, a more gradual and responsive release of allowances would contribute to further improving market stability and predictability for market participants. Therefore, the injection mechanism should take into account the difference between the total number of allowances in circulation and the lower threshold.

⁴ ***Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>).***

⁵ ***Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 (OJ L 130, 16.5.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/955/oj>).***

(6) In order to further improve its reactivity to unwarranted price fluctuations and increase market predictability, the mechanism to enhance price stability in the first three years of the emissions trading system for buildings, road transport and additional sectors should be strengthened in a careful manner. This could involve releasing a higher volume of allowances in the market *without delay*. If the measure is applied twice during the same 12 months period, the additional release should occur twice.

(6a) The new emissions trading system for the buildings, road transport and additional sectors and Member States' national measures in those sectors are mutually reinforcing. A gradual and smooth start of the new emissions trading system supports the timely implementation of Member States' measures towards the achievement of the EU's 2030 climate target, ensuring a socially fair transition and avoiding undue price impacts on vulnerable households and transport users. Therefore the report of the Commission to the European Parliament and to the Council on the implementation of the new system under Article 30i of Directive 2003/87/EC will, as appropriate, include a thorough assessment of the price stability mechanisms under Article 30h of Directive 2003/87/EC and of the application of the rules of the market stability reserve for the buildings, road transport and additional sectors under Decision (EU) 2015/1814, to ensure both environmental integrity and social fairness. This review is in particular to consider the functioning of the excessive price measure aimed at increasing certainty for citizens that the carbon price in the initial years of that system does not go above the level under Article 30h of Directive 2003/87/EC and whether it should be continued after 2029.

(7) Decision (EU) 2015/1814 should therefore be amended accordingly,

HAVE ADOPTED THIS DECISION:

Article 1

Article 1a of Decision (EU) 2015/1814 is amended as follows:

(1) In paragraph 3, the second sentence is deleted;

(2) In paragraph 4, the second sentence is replaced by the following:

‘The total number of allowances in circulation under this Article in a given year shall be the cumulative number of allowances covered by that Chapter that were issued, minus the cumulative tonnes of verified emissions covered by that Chapter for the period between 1 January **2028** and 31 December of that same given year and any allowances covered by that Chapter that were cancelled in accordance with Article 12(4) of Directive 2003/87/EC.’;

(3) In paragraph 5, the following subparagraph is added:

‘In any given year, if the total number of allowances in circulation is between 210 million and 260 million, additional allowances shall be released from the reserve. The additional amount shall be calculated by taking 100 million and subtracting twice the difference between the total number of allowances in circulation and 210 million. This additional amount shall be added to the quantity of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC beginning on 1 September of that year.’;

(4) In paragraph 7, the following sentence is inserted between the first and second sentence:

‘In the event that allowances are released from the reserve in accordance with Article 30h(2) of Directive 2003/87/EC, 20 million more allowances shall be added to the amount to be released from the reserve.’.

Article 1a

In Article 3 of Decision (EU) 2015/1814, the following paragraph is added:

“As regards Article 1(a) of this Decision, the above review shall consider the number of remaining allowances taking into consideration both environmental integrity and social fairness.”

Article 2

This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Done at

For the European Parliament

The President

For the Council

The President
