



2021/0211(COD)

10.5.2022

OPINION

of the Committee on Transport and Tourism

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a directive of the European Parliament and of the Council 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 (COM(2021)0551 – C9-0318/2021 – 2021/0211(COD))

Rapporteur for opinion: Andrey Novakov

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SHORT JUSTIFICATION

Main elements of the proposal for revision of the EU ETS Directive

The revision of the European Emissions Trading System (ETS) is an integral part of the Fit for 55 package. The system is a European market based instrument to tackle climate change, by putting a price on CO₂ and other greenhouse gases emissions. The proposal by the Commission provides for an increased target for lowering emissions, from 43 to 61% below 2005 levels by 2030, inclusion of shipping emissions and a gradual phase out of the free emission allowances for the aviation sector. In addition, the Commission proposes to launch a new separate emissions trading system to cover road transport and buildings.

In principle, the Rapporteur accepts the necessity to revise the EU ETS Directive as a market based tool contributing to meeting the Union's climate ambitions for 2030. Nevertheless, he expresses his reservations regarding the lack of a synergistic economic impact assessment covering the entire Package instead of the rather fragmented impact assessment done so far, which falls short of offering a holistic view. Furthermore, the Rapporteur remains concerned about the massive investment gap that the accompanying Impact Assessment identifies. With a view to support the green transition, the Rapporteur is in favour of a broader use of the revenues from the ETS to support decarbonisation projects, through an increase of the size of the Innovation and Modernisation funds, providing a much needed boost to transitional fuels and innovative technologies in the transport sector.

Maritime sector to be included to the current EU ETS

The proposed extension to the maritime sector foresees to cover 100% of the CO₂ emissions from intra-EU voyages, that is the emissions from ships performing voyages departing from and arriving at a port under the jurisdiction of a Member State and the emissions while at berth in an EU port, and 50% of the emissions from extra-EU voyages, that is the emissions from ships performing incoming voyages departing from a port outside the EU and arriving at a port under the jurisdiction of a Member State and similarly for ships performing outgoing voyages.

The Rapporteur supports the inclusion of the maritime sector, however, he is convinced that the cross-border dimension of the shipping transport requires a more coordinated approach and greater efforts towards global market based instrument through the partnership with the International Maritime Organization (IMO). In the Rapporteur's view, equal treatment of intra-EU and extra-EU maritime routes is crucial in order to ensure the competitiveness of the EU maritime sector. The coverage of a half of the emissions from both incoming and outgoing voyages between the Union and third countries and a half of the emissions for the intra-EU voyages ensures an equal footing for the EU maritime sector, while limiting risks of evasive port calls and shifts of transshipment activities outside the Union. In addition, the Rapporteur extends the phase-in period of the ETS for maritime sector from 20% of verified emissions for 2026 to 100% for 2029 with a view to mitigate the negative effects of COVID-19 pandemic and ensure the full recovery of the sector, providing sufficient time for it to adapt and develop the necessary alternative technologies.

The Rapporteur believes that proper financial support is essential to facilitate the decarbonisation of the sector. Therefore, in addition to the Innovation and Modernisation funds, he proposes the establishment of a dedicated fund, namely a Maritime Transition Fund,

with the aim to accelerate projects supporting innovative technologies and deployment of sustainable alternative fuels as well as development of adequate port infrastructure. It remains crucial that the resources of this fund are truly additional and not generated through reallocation of resources to the detriment of other existing EU policies, programmes or funds.

Introduction of new emissions trading system for road transport and buildings

According to the Commission's proposal, a new separate ETS should be established to cover the sectors of road transport and buildings. The Rapporteur supports the Union's ambitions to tackle climate change and decarbonise the EU economy. However he has serious concerns that the extension of the EU ETS to cover road transport and buildings will negatively affect end-consumers, citizens and businesses, through further increasing fuel costs as the cost of ETS allowances will be passed through to end-consumer prices, in particular for lower and middle income households, reducing their mobility and leading to energy and transport poverty. The Rapporteur thus considers that an extension of the new ETS to both road transport and buildings is premature. Even with the European Social Climate Fund and national Social Climate Plans in place, the support to assist Europeans will be dramatically insufficient, while the green transition is to take place following the European Climate Law. The Rapporteur considers that a comprehensive impact assessment of the entire Fit for 55 package, indicating the real burden to European citizens and thoroughly analysing the risk and scale of energy and transport poverty, is a crucial pre-condition before a well-informed final decision on the new ETS can be made.

AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a directive Recital 14

Text proposed by the Commission

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one

Amendment

(14) International maritime transport activity, consisting of voyages between ports under the jurisdiction of two different Member States or between a port under the jurisdiction of a Member State and a port outside the jurisdiction of any Member State, has been the only means of transportation not included in the Union's past commitments to reduce greenhouse gas emissions. Emissions from fuel sold in the Union for journeys that depart in one

Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. ***If the climate change impact of maritime transport activities grows as projected, it would significantly undermine reductions made by other sectors to combat climate change.***

Member State and arrive in a different Member State or a third country have grown by around 36 % since 1990. Those emissions represent close to 90 % of all Union navigation emissions as emissions from fuel sold in the Union for journeys departing and arriving in the same Member State have been reduced by 26 % since 1990. In a business-as-usual scenario, emissions from international maritime transport activities are projected to grow by around 14 % between 2015 and 2030 and 34 % between 2015 and 2050. ***Proportional action in this sector should therefore considerably contribute to reaching the EU's GHG emission reduction goals and climate neutrality by 2050 as set by the Climate Law.***

Amendment 2

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

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.

agreed under the Paris Agreement and due consideration being given by all stakeholders. ***When defining and implementing these actions, the Union should take due consideration of the competitiveness of the maritime sector, including the competitive position of Union ports as well as avoiding creating carbon and business leakage. It is important to take into account EU-neighbouring port calls made before and after Union port calls. The Commission should therefore set up a monitoring scheme and propose measures to assess and address carbon and business leakage linked to rerouting and evasion calls, as well as determine the possible impacts of such a regional system on the competitiveness and connectivity of ports in Europe, as well as the possible negative impact on the modal split.***

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).

Amendment 3

Proposal for a directive Recital 16

Text proposed by the Commission

(16) Pursuant to Directive (EU) 2018/410, the Commission should report to

Amendment

(16) ***Maritime transport is not only an important sector for the European***

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

economy but it is also essential for European connectivity. The sector operates in an international environment and requires a global level playing field to remain competitive. An early transition to sustainable shipping by the European maritime transport sector could present a unique opportunity to increase its competitiveness as the global system transitions to zero-emissions. Pursuant to Directive (EU) 2018/410, the Commission should report to the European Parliament and to the Council on the progress achieved in the IMO towards an ambitious emission reduction objective, and on accompanying measures to ensure that the maritime transport sector duly contributes to the efforts needed to achieve the objectives agreed under the Paris Agreement. ***Given the international character of shipping,*** efforts to limit global maritime emissions through the IMO are under way and should be encouraged ***by establishing a global climate effective market-based measure, in line with the Paris Agreement, as the most suitable and effective option to address the decarbonisation of the sector, especially for regions at the periphery of Europe whose maritime sectors are highly exposed to negative economic impacts.*** ***The Commission in collaboration with Member States should therefore further step up diplomatic efforts and increase the pressure on the IMO in order to limit the global average temperature rise to well below 2°C above pre-industrial levels, and to aim for 1,5°C, as well as to avoid carbon leakage, which would endanger Union businesses due to unfair international competition vis-à-vis non-Union ports. Overall, Union initiatives addressing emissions from shipping should be compatible with IMO efforts in order to keep a level playing field on maritime routes.***

Amendment 4

Proposal for a directive Recital 16 a (new)

Text proposed by the Commission

Amendment

A regional market-based measure such as the ETS could seriously jeopardise the reduction of total shipping emissions since evasive port calls at non-Union neighbouring ports could even increase overall emissions, in particular when evasion leads to longer voyages to and from third countries with lower environmental standards. To that end, the European Union should avoid possible evasive action and include the evasive call to/from a non-Union neighbouring port, including non-Union transshipment ports, as a call to a Union port when calculating the emissions falling under this Directive. The scope of voyages to be reported in the Regulation (EU)2015/757 should include a requirement to report entire voyages involving these non-Union neighbouring ports. To this end, the definition of port call applied in the EU ETS Directive and in Regulation (EU) 2015/757 should consider the risk of carbon and business leakage arising from the implementation of a regional market-based measure. Accordingly, the definition of port call should include stops in a transshipment port of a non-Union neighbouring country and should account for, and help prevent, vessels evading the EU ETS through evasive port calls on ports in countries neighbouring the Union. Furthermore, a new definition on neighbouring transshipment port should be integrated to level out the playing field and prevent carbon leakage occurring as a result of more stringent rules applied in the Union ports as compared with the ports of non-Union countries. With the view to ensuring level playing field, the Commission should furthermore establish a list of deep-sea routes connecting two or

more continents and performed by regular services covering more than 3 000 km where ships would carry out transshipment operations at any port on its route. This list should be reviewed on an annual basis by the Commission.

Amendment 5

Proposal for a directive Recital 16 b (new)

Text proposed by the Commission

Amendment

(16 b) Whereas the maritime transport activities to be addressed in Directive 2003/87/EC include CO₂ emissions from ships above 5000 gross tonnage pursuant to Regulation (EU) 2015/757, the Commission no later than [xx years after the entry into force of this directive] should analyse the added value of progressively integrating maritime emissions from smaller ships above 400 GT, possibly including also ships performing service activities for offshore installations, into the Union's framework through an impact assessment. In doing so, such ships could be subject to the Union system for monitoring, reporting and verifying CO₂ emissions during a pilot phase of application of that system covering at least two reporting periods. Among analysed data, the Commission should consider the potential GHG emissions reduction, scale of the administrative burden as well as financial consequences. Following conclusions of such an impact assessment, the Commission should present legislative proposals to the Council and the European Parliament amending Regulation (EU) 2015/757 and Directive 2003/87/EC, if appropriate.

Amendment 6

Proposal for a directive
Recital 17

Text proposed by the Commission

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

Amendment

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

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

from ships performing voyages arriving at a port under the jurisdiction of a Member State from a port under the jurisdiction of a Member State, and emissions at berth in a port under the jurisdiction of a Member State. This approach has been noted as a practical way to solve the issue of Common but Differentiated Responsibilities and Capabilities, which has been a longstanding challenge in the UNFCCC context. *In addition, ships operating routes included in the Motorways of the Seas or granting territorial continuity as a public service to islands should not be considered in the scope of the EU ETS, in order to avoid the concrete risk of a modal backshift to more pollutant sectors in the former case, as well as the risk of endangering territorial continuity in the latter case.* The coverage of a share of the emissions from both incoming and outgoing voyages between the Union and third countries ensures the effectiveness of the EU ETS, notably by increasing the environmental impact of the measure compared to a geographical scope limited to voyages within the EU, while limiting the risk of evasive port calls and the risk of delocalisation of transshipment activities outside the Union. *Furthermore, in order to prevent carbon leakage due to possible reallocation of transshipment operation from a Union port to a transshipment port in non-EU neighbouring countries, the extension of the EU ETS to the maritime transport sector should thus include emissions from ships performing voyages arriving at a port under the jurisdiction of a Member State from a non-EU neighbouring transshipment port and emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a non-EU neighbouring transshipment port.* To ensure a smooth inclusion of the sector in the EU ETS, the surrendering of allowances by shipping companies should be gradually increased with respect to

verified emissions reported for the period *starting from the first year until the third year subsequent to 18 months after the entry into force of this Directive*. As from *the fourth year subsequent to 18 months after the entry into force of this Directive*, shipping companies should surrender the number of allowances corresponding to all of their verified emissions reported in the preceding year. *However, measures should be taken to ensure that the extension of the EU ETS to maritime transport affects Member States in a fair and proportionate manner, taking into account their specific circumstances, such as those related to their geographical location, climate and weather conditions.*

⁴⁹ Paris Agreement, Article 4(4).

⁴⁹ Paris Agreement, Article 4(4).

Amendment 7

Proposal for a directive Recital 17 a (new)

Text proposed by the Commission

Amendment

(17 a) The EU ETS should contribute to effectively decarbonising maritime transport activities as much as possible. The transition from fossil fuels to renewable and low-carbon fuels will play a considerable role in that process. However, taking into account the challenges for abating emissions in the maritime sector due to the current lack of viable low-emission power train technologies as recognised in the Commission’s Sustainable and Smart Mobility Strategy and considering the high level of competition between shipping companies and the important price differential between conventional fuels and renewable and low-carbon fuels, this transition should be supported through economic incentives that reflect the environmental benefit of alternative

fuels and make them more competitive for shipping companies thereby avoiding carbon leakage. For this purpose, free allowances should be allocated to shipping companies, in proportion to the amount of alternative fuels used and reported. The amount of allowances allocated for free should be adjusted with multipliers in order to take into account that some types of alternative fuels deliver higher environmental benefits and are more costly to purchase for shipping companies. The Commission should regularly review the level of the multipliers based on market price information for fuels. In addition, the European Parliament's Resolution on "Maritime efficient and cleaner maritime transport" of April 2021, recognised the importance of transitional technologies, such as LNG and LNG infrastructure, in the maritime sector. The use of such technologies should therefore be supported during an initial transitional phase through a partial allocation of free allowances.

Amendment 8

Proposal for a directive Recital 17 b (new)

Text proposed by the Commission

Amendment

(17 b) Where necessary, the Commission should review Regulation (EU) 2015/757, to ensure that the information on the use of all types of alternative fuels, is available for the purpose of determining the amount of free allowances under the EU ETS.

Amendment 9

Proposal for a directive Recital 17 c (new)

(17 c) A Maritime Transition Fund should be established to provide funds to the Member States to support their policies supporting the decarbonisation of the maritime transport sector. This should be achieved notably through development of innovative technologies for decarbonising the sector, production of sustainable alternative fuels as defined in Regulation (EU) [.../....] on the use of renewable and low-carbon fuels in maritime transport¹, including systems for collection of raw materials for alternative fuels, investments in research and development and first industrial application of technologies and designs reducing GHG emissions, research for new engines and technologies, and ports infrastructure. The Commission should submit legislative proposals for the creation of a Maritime Fund. The Maritime Fund should be a fully budgeted expenditure programme within the MFF. The budgetary envelope for this programme should be expressed as an amount set at a level equivalent to 75% of the revenue expected from the auctioning of maritime allowances. The Maritime Fund should operate in shared management with the Member States under Regulation (EU) 2021/1060 of the European Parliament and of the Council.

Amendment 10

Proposal for a directive Recital 18

Text proposed by the Commission

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in

¹ COM(2021)0562

Amendment

(18) The provisions of Directive 2003/87/EC as regards maritime transport activities should be kept under review in

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

light of future international developments and efforts undertaken to achieve the objectives of the Paris Agreement, including the second global stocktake in 2028, and subsequent global stocktakes every five years thereafter, intended to inform successive nationally determined contributions. In particular, the Commission should report *every second year following the entry into force of this Directive and in particular* any time before the second global stocktake in 2028 - and therefore no later than by 30 September 2028 to the European Parliament and to the Council on progress in the IMO negotiations concerning a global market-based measure. In its report, the Commission should analyse the International Maritime Organization instruments and, assess, as relevant, how to implement those instruments in Union law through a revision of Directive 2003/87/EC. In its report, the Commission should include proposals as appropriate. *Furthermore, the Commission should advocate vigorously on the international level for establishing a global market-based measure in partnership with the International Maritime Organization (IMO) in order to extend the scope of the EU ETS for maritime transport, when appropriate.*

Amendment 11

Proposal for a directive Recital 19

Text proposed by the Commission

(19) The Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities in the light of *experience of its application, including in relation to* possible evasive practices, *and* should *then* propose measures to ensure *its* effectiveness.

Amendment

(19) *By 1 January 2025*, the Commission should review the functioning of Directive 2003/87/EC in relation to maritime transport activities, *through the means of an impact assessment, in close cooperation with related port authorities, shipping companies and all related stakeholders, based on real data,*

determining possible impacts of these provisions on carbon leakage, delocation of calls and port business to ports outside the EU, connectivity of ports in Europe and where relevant on the modal shift. The impact assessment should also specifically consider potential evasive practices and establishing a list of potential business activities that do not fall under significant business activities performed at neighbouring Union port calls. Such a dedicated impact assessment is utmost important for the EU ETS to work as intended, in particular in the light of possible evasive practices. If the impact assessment determines a risk of a negative impact on the maritime sector, Union ports and on maritime and coastal regions and islands, the Commission should propose preventive measures to address it, including recommendations for specific provisions based on ports in EU sea-basins or in neighbouring EU countries, in order to ensure a level playing field and effectiveness towards the decarbonisation of the sector. Alignment with a market-based measure developed in the IMO should be closely examined as a means of addressing potential negative impacts of a regional EU ETS scope. In addition, the Commission should conduct a synergistic impact assessment investigating the effect of all Fit for 55 proposals, including analysis on EU competitiveness, potential risk of mobility reduction and the cost effectiveness of GHG emissions reductions.

Amendment 12

Proposal for a directive Recital 20

Text proposed by the Commission

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company,

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Amendment

(20) The person or organisation responsible for the compliance with the EU ETS should be the shipping company,

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

defined as the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention. This definition is based on the definition of ‘company’ in Article 3, point (d) of Regulation (EU) 2015/757, and in line with the global data collection system established in 2016 by the IMO. In line with the polluter pays principle, the shipping company could, by means of a contractual arrangement, hold the entity that is directly responsible for the decisions affecting the CO₂ emissions of the ship accountable for the compliance costs under this Directive. This entity would normally be the entity that is responsible for the choice of fuel, route and speed of the ship. ***Compliance of the ship, which is a shared responsibility between the ship owner and the operator, needs to be monitored and enforced. The Commission is called upon to assess by 2027 potential compliance loopholes, propose measures and review this Directive, when appropriate.***

Amendment 13

Proposal for a directive

Recital 21

Text proposed by the Commission

(21) In order to reduce the administrative burden on shipping companies, one Member State should be responsible for each shipping company. The Commission should publish an initial list of shipping companies that performed a maritime activity falling within the scope of the EU ETS, which specifies the administering authority in respect of each

Amendment

(21) In order to reduce the administrative burden on shipping companies, one Member State should be responsible for each shipping company. The Commission should publish an initial list of shipping companies that performed a maritime activity falling within the scope of the EU ETS, which specifies the administering authority in respect of each

shipping company. The list should be updated at least every *two years* to reattribute shipping companies to another administering authority as relevant. For shipping companies registered in a Member State, the administering authority should be that Member State. For shipping companies registered in a third country, the administering authority should be the Member State in which the shipping company had the greatest estimated number of port calls from voyages falling within the scope of Directive 2003/87/EC in the last two monitoring years. For shipping companies registered in a third country and which did not perform any voyage falling within the scope of Directive 2003/87/EC in the last two monitoring years, the administering authority should be the Member State from where the shipping company started its first voyage falling within the scope of that Directive. The Commission should publish and update on a *biennial* basis a list of shipping companies falling within the scope of Directive 2003/87/EC specifying the administering authority for each shipping company. In order to ensure equal treatment of shipping companies, Member States should follow harmonised rules for the administration of shipping companies for which they have responsibility, in accordance with detailed rules to be established by the Commission.

shipping company. The list should be updated *regularly and* at least every *year* to reattribute shipping companies to another administering authority as relevant. For shipping companies registered in a Member State, the administering authority should be that Member State. For shipping companies registered in a third country, the administering authority should be the Member State in which the shipping company had the greatest estimated number of port calls from voyages falling within the scope of Directive 2003/87/EC in the last two monitoring years. For shipping companies registered in a third country and which did not perform any voyage falling within the scope of Directive 2003/87/EC in the last two monitoring years, the administering authority should be the Member State from where the shipping company started its first voyage falling within the scope of that Directive. The Commission should publish and update on a *yearly* basis a list of shipping companies falling within the scope of Directive 2003/87/EC specifying the administering authority for each shipping company. In order to ensure equal treatment of shipping companies, Member States should follow harmonised rules for the administration of shipping companies for which they have responsibility, in accordance with detailed rules to be established by the Commission.

Amendment 14

Proposal for a directive Recital 23 a (new)

Text proposed by the Commission

Amendment

(23 a) Special consideration should be given to ships operating under a public service contract or subject to public service obligations, and ships operating to and/or from the outermost regions or islands of the EU in order to promote

accessibility. Therefore, a derogation from this Directive should be provided for emissions from maritime voyages to and from the outermost regions or to and from islands due to their dependency on maritime transport for territorial continuity, for import of raw materials, essential goods and other products, as well as for some exports.

Amendment 15

Proposal for a directive

Recital 24

Text proposed by the Commission

(24) Based on experience from similar tasks related to environmental protection, the European Maritime Safety Agency (EMSA) or another relevant organisation should, as appropriate and in accordance with its mandate, assist the Commission and the administering authorities in respect of the implementation of Directive 2003/87/EC. Owing to its experience with the implementation of Regulation (EU) 2015/757 and its IT tools, EMSA *could* assist the administering authorities notably as regards the monitoring, reporting and verification of emissions generated by maritime activities under the scope of this Directive by facilitating the exchange of information or developing guidelines and criteria.

Amendment

(24) Based on experience from similar tasks related to environmental protection, the European Maritime Safety Agency (EMSA) or another relevant organisation should, as appropriate and in accordance with its mandate, assist the Commission and the administering authorities in respect of the implementation of Directive 2003/87/EC. Owing to its experience with the implementation of Regulation (EU) 2015/757 and its IT tools, EMSA *should* assist the administering authorities notably as regards the monitoring, reporting and verification of emissions generated by maritime activities under the scope of this Directive by facilitating the exchange of information or developing guidelines and criteria.

Amendment 16

Proposal for a directive

Recital 25 a (new)

Text proposed by the Commission

Amendment

(25 a) To ensure that there is a level playing field for ships that navigate in ice conditions and other ships a specific

method should be applied to take into account additional emissions related to navigation in ice conditions and additional emissions of ice-classed ships when sailing in open water, while ensuring that emissions trading through the ETS continues to drive down emissions in the maritime sector. To that end, relevant provisions on the transfer, surrender and cancellation of allowances under Directive 2003/87/EC should be amended accordingly.

Amendment 17

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 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 ***as well as the equivalent of 1,5% of the total quantity of allowances from the amount above 400 million allowances set aside in Market Stability Reserve for the purpose of Modernisation Fund*** 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. ***For the EU ETS to contribute to lowering global GHG emissions and enabling decarbonisation, a substantial share of the EU ETS revenues generated by the maritime sector or the equivalent amounts should be used to enable the decarbonisation of that sector and Union ports.***

Amendment 18

Proposal for a directive Recital 30

Text proposed by the Commission

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [...] of the European Parliament and of the Council⁵¹, ***is*** an alternative to free allocation to address the risk of carbon leakage. To the extent that sectors and subsectors are covered by that measure, ***they should not receive free allocation. However, a transitional phasing-out of free allowances is needed*** to allow producers, importers and traders to adjust to the new regime. ***The*** reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional period between the entry into force of [CBAM Regulation] and 2025, 90 % in 2026 and should be reduced by 10 percentage points each year to reach 0 % and thereby eliminate free allocation by the tenth year. The relevant delegated acts on free allocation should be adjusted accordingly for the sectors and subsectors covered by the CBAM. The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will

Amendment

(30) The Carbon Border Adjustment Mechanism (CBAM), established under Regulation (EU) [...] of the European Parliament and of the Council⁵¹, ***can be*** an alternative to free allocation to address the risk of carbon leakage ***once assessment by the Commission has proven that the regulation is effective in preventing carbon leakage for both imports and exports.*** To the extent that sectors and subsectors are covered by that measure, ***sufficient and WTO-compatible safeguards should nevertheless be provided for the products intended for export and their producers. Where*** free allowances ***are phased out in accordance with the finding of effectiveness of CBAM by the Commission report under [CBAM Regulation], a gradual transition is essential*** to allow producers, importers and traders to adjust to the new regime. ***Such a*** 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

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.

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, *taking into account the need to maintain free allowances for the products that are exported*. 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]

⁵¹ [please insert full OJ reference]

Amendment 19

Proposal for a directive Recital 32

Text proposed by the Commission

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under

Amendment

(32) A comprehensive approach to innovation is essential for achieving the European Green Deal objectives. At EU level, the necessary research and innovation efforts are supported, among others, through Horizon Europe which include significant funding and new instruments for the sectors coming under

the ETS. Member States should ensure that the national transposition provisions do not hamper innovations and are technologically neutral.

the ETS. Member States should ensure that the national transposition provisions do not hamper innovations and are technologically neutral, ***while the Commission should ensure the availability and efficiency of the necessary technical and advisory assistance.***

Amendment 20

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

Amendment

(33) The scope of the Innovation Fund referred to in Article 10a(8) of Directive 2003/87/EC should be extended to support ***the installation of non-breakthrough technologies in industrial processes that have an enormous GHG-saving potential but are not market-ready as well as*** innovation in low-carbon technologies and processes that concern the consumption of fuels in the ***sector*** of buildings. In addition, the Innovation Fund should serve to support investments to ***accelerate the decarbonisation of*** the maritime transport sector ***through both investment into short-term solutions such as LNG propulsion and refuelling infrastructure and in particular development of mid-term breakthrough solutions, support for the deployment of innovative technologies,*** including investments in sustainable alternative fuels ***and related infrastructure,*** such as hydrogen and ammonia that are produced from ***sustainable*** renewables, ***first industrial application, refuelling and recharging infrastructure in ports, including shore-side electricity supply grid connection and other energy infrastructure,*** 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

auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund.

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 innovative projects aimed at accelerating the development and deployment of *sustainable* renewable, low carbon fuels *and zero-emission fuels as well as electrification* in the maritime sector, as specified in Article 21(1) of Regulation xxxx/xxxx [FuelEU Maritime]. To ensure sufficient funding is available for innovation within this extended scope, the Innovation Fund should be supplemented with 50 million allowances, stemming partly from the allowances that could otherwise be auctioned, and partly from the allowances that could otherwise be allocated for free, in accordance with the current proportion of funding provided from each source to the Innovation Fund. *To foster innovation in breakthrough technologies as soon as possible, the Commission should ensure that the financing made available through the Innovation Fund is ‘frontloaded’ during the first years of implementation of the present Directive, while taking into account the principle of geographical balance.*

⁵² [add ref to the FuelEU Maritime Regulation].

⁵² [add ref to the FuelEU Maritime Regulation].

Amendment 21

Proposal for a directive Recital 38

Text proposed by the Commission

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and

Amendment

(38) The scope of the Modernisation Fund should be aligned with the most recent climate objectives of the Union by requiring that investments are consistent with the objectives of the European Green Deal and Regulation (EU) 2021/1119, and

eliminating the support to any investments related to *fossil* fuels. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 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.

continuing the support to any investments related to *sustainable transitional* fuels *and technologies*. In addition, the percentage of the Modernisation Fund that needs to be devoted to priority investments should be increased to 80 %; energy efficiency should be targeted as a priority area at the demand side; and support of households to address energy poverty, including in rural and remote areas, should be included within the scope of the priority investments.

Amendment 22

Proposal for a directive

Recital 40

Text proposed by the Commission

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment

(40) Renewable liquid and gaseous fuels of non-biological origin and recycled carbon fuels can be important to reduce greenhouse gas emissions in sectors that are hard to decarbonise. Where recycled carbon fuels and renewable liquid and gaseous fuels of non-biological origin are produced from captured carbon dioxide under an activity covered by this Directive, the emissions should be accounted under that activity, ***where the CO₂ is emitted into the atmosphere***. To ensure that renewable fuels of non-biological origin and recycled carbon fuels contribute to greenhouse gas emission reductions and to avoid double counting for fuels that do so, it is appropriate to explicitly extend the empowerment in Article 14(1) to the adoption by the Commission of implementing acts laying down the necessary adjustments for how ***and where*** to account for the eventual release of carbon dioxide and how to avoid double counting to ensure appropriate incentives are in place ***for capturing the CO₂***, taking also into account the treatment of these fuels under Directive (EU) 2018/2001.

Amendment 23

Proposal for a directive Recital 42

Text proposed by the Commission

(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.*

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

Amendment

(42) The **further** exclusion of installations using exclusively biomass from the EU ETS *will lead to a lack of certainty over updating the benchmark values for free allocation and disincentivise a full transition to a zero-carbon energy source. A 100%* threshold value for zero-rated biomass combustion should be *maintained for* installations *to be* excluded from the EU ETS.

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

Amendment 24

Proposal for a directive Recital 43

Text proposed by the Commission

(43) *The Communication of the Commission on Stepping up Europe's 2030 climate ambition⁵⁷, underlined the particular challenge to reduce the emissions in the sectors of road transport and buildings. Therefore, the Commission announced that a further expansion of*

Amendment

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

⁵⁷ COM(2020)562 final.

Amendment 25

Proposal for a directive Recital 44

Text proposed by the Commission

(44) In order to establish the necessary implementation framework and to provide a reasonable timeframe for reaching the 2030 target, emissions trading in the two new sectors should start in 2025. During the first year, the regulated entities should be required to hold a greenhouse gas emissions permit and to report their emissions for the years 2024 and 2025. The issuance of allowances and compliance obligations for these entities

Amendment

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should be applicable as from 2026. This sequencing will allow starting emissions trading in the sectors in an orderly and efficient manner. It would also allow the EU funding and Member State measures to be in place to ensure a socially fair introduction of the EU emissions trading into the two sectors so as to mitigate the impact of the carbon price on vulnerable households and transport users.

Amendment 26

Proposal for a directive Recital 45

Text proposed by the Commission

Amendment

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

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Amendment 27

Proposal for a directive Recital 46

Text proposed by the Commission

Amendment

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

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⁵⁸ Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (OJ L 58 27.2.2020, p. 4).

Amendment 28

Proposal for a directive Recital 47

Text proposed by the Commission

Amendment

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

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Amendment 29

Proposal for a directive Recital 48

Text proposed by the Commission

Amendment

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

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⁵⁹ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030

contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

Amendment 30

Proposal for a directive Recital 49

Text proposed by the Commission

Amendment

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

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Amendment 31

Proposal for a directive Recital 50

Text proposed by the Commission

Amendment

(50) In order to ensure a smooth start to emissions trading in the buildings and road transport sectors and taking into account the need of the regulated entities to hedge or buy ahead allowances to mitigate their price and liquidity risk, a higher amount of allowances should be auctioned early on. In 2026, the auction volumes should therefore be 30 % higher than the total quantity of allowances for 2026. This amount would be sufficient to provide liquidity, both if emissions decrease in line with reduction needs, and

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in the event emission reductions only materialise progressively. The detailed rules for this front-loading of auction volume are to be established in a delegated act related to auctioning, adopted pursuant to Article 10(4) of Directive 2003/87/EC.

Amendment 32

Proposal for a directive Recital 51

Text proposed by the Commission

Amendment

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

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Amendment 33

Proposal for a directive Recital 52

Text proposed by the Commission

Amendment

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

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

⁶⁰ Data from 2018. Eurostat, SILC

[filc_mdcs01].

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

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

Amendment 34

Proposal for a directive Recital 52 a (new)

Text proposed by the Commission

Amendment

(52 a) The costs of the transition, and the increased volatility of energy and commodity prices owing to transition-related adjustments and resource depletion, make it necessary to protect the most vulnerable households, enterprises and SMEs while maintaining a high level of investment to ensure the ecological transition is a success. Therefore, a Social Climate Fund should be established in order to ensure an inclusive and just transition that leaves no one behind.

Amendment 35

Proposal for a directive Recital 53

Text proposed by the Commission

Amendment

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

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

Amendment 36

Proposal for a directive Recital 54

Text proposed by the Commission

Amendment

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

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Amendment 37

Proposal for a directive Recital 55

Text proposed by the Commission

Amendment

(55) Regulated entities covered by the buildings and road transport emissions

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trading should surrender allowances for their verified emissions corresponding to the quantities of fuels they have released for consumption. They should surrender allowances for the first time for their verified emissions in 2026. In order to minimise the administrative burden, a number of rules applicable to the existing emissions trading system for stationary installations and aviation should be made applicable to emissions trading for buildings and road transport, with the necessary adaptations. This includes, in particular, rules on transfer, surrender and cancellation of allowances, as well as the rules on the validity of allowances, penalties, competent authorities and reporting obligations of Member States.

Amendment 38

Proposal for a directive

Recital 56

Text proposed by the Commission

Amendment

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

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Amendment 39

Proposal for a directive Recital 57

Text proposed by the Commission

Amendment

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

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⁶⁴ Decision (EU) 2015/1814 of the

European Parliament and of the Council of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).

Amendment 40

Proposal for a directive Recital 58

Text proposed by the Commission

Amendment

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

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Amendment 41

Proposal for a directive Recital 59

Text proposed by the Commission

Amendment

(59) In order to ensure uniform conditions for the implementation of Articles 3gd(3), 12(3b) and 14(1) of Directive 2003/87/EC, implementing powers should be conferred on the Commission. To ensure synergies with the existing regulatory framework, the conferral of implementing powers in

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

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

Amendment 42

Proposal for a directive Recital 60

Text proposed by the Commission

Amendment

(60) In order to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of a legislative act, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of Articles 10(4) and 10a(8) of that Directive. Moreover, to ensure synergies with the existing regulatory framework, the delegation in Articles 10(4) and 10a(8) of Directive 2003/87/EC should be extended to cover the sectors of road transport and buildings. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation

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in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts. In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents⁶⁶, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified

⁶⁶ OJ C 369, 17.12.2011, p. 14.

Amendment 43

Proposal for a directive Recital 60 a (new)

Text proposed by the Commission

Amendment

(60 a) A holistic and science-based approach is key to achieving the 2030 GHG emission reduction target and the 2050 climate neutrality objective. All measures should be drafted based on comprehensive impact assessments analysing this Directive together with the other legislative acts linked to the European Climate Law, and their consequences for different sectors of the European economy. Consequently, by 1 January 2025, the Commission should conduct such a synergistic impact assessment on the socio-economic and environmental aspects of the measures.

Amendment 44

Proposal for a directive Recital 63

Text proposed by the Commission

Amendment

(63) Furthermore, in order to ensure that the level of allowances that remains in the Market Stability Reserve after the invalidation is predictable, the invalidation of allowances in the reserve should no longer depend on the auction volumes of the previous year. The number of allowances in the reserve should, therefore, be fixed at a level of 400 million allowances, which corresponds to the lower threshold for the value of the TNAC.

deleted

Amendment 45

Proposal for a directive Recital 66

Text proposed by the Commission

Amendment

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

deleted

the quantity of allowances released or placed in the reserve should follow the rules of the reserve for other sectors.

Amendment 46

Proposal for a directive Recital 67

Text proposed by the Commission

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring CO₂ emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective functioning of the EU ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification of the same ship information.

Amendment

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority, ***including information on port calls in neighbouring non-Union ports***. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring CO₂ emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective functioning of the EU ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification

of the same ship information.

Amendment 47

Proposal for a directive

Recital 67

Text proposed by the Commission

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring CO₂ emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective functioning of the EU ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification of the same ship information.

Amendment

(67) It is necessary to amend Regulation (EU) 2015/757 to take into account the inclusion of the maritime transport sector in the EU ETS. Regulation (EU) 2015/757 should be amended to oblige companies to report aggregated emissions data at company level and to submit for approval their verified monitoring plans and aggregated emissions data at company level to the responsible administering authority, ***including information on port calls in neighbouring non-Union ports***. In addition, the Commission should be empowered to adopt delegated acts to amend the methods for monitoring CO₂ emissions and the rules on monitoring, as well as any other relevant information set out in Regulation (EU) 2015/757, to ensure the effective functioning of the EU ETS at administrative level and to supplement Regulation (EU) 2015/757 with the rules for the approval of monitoring plans and changes thereof by administering authorities, with the rules for the monitoring, reporting and submission of the aggregated emissions data at company level and with the rules for the verification of the aggregated emissions data at company level and for the issuance of a verification report in respect of the aggregated emissions data at company level. The data monitored, reported and verified under Regulation (EU) 2015/757 might also be used for the purpose of compliance with other Union law requiring the monitoring, reporting and verification of the same ship information.

Amendment 48

Proposal for a directive Recital 67 a (new)

Text proposed by the Commission

Amendment

(67 a) Given that this Directive will generate additional compliance costs for affected sectors, compensatory actions need to be taken in order to prevent the total level of the regulatory burden from increasing. The Commission should therefore keep under review Directive 2003/87/EC immediately as from the entry into force of this Directive and on the basis of a comprehensive overall impact assessment for the entire "fit for 55" package, elaborating on its cumulative and combined effects, including as regards social costs and their distribution, competitiveness, jobs, carbon and business leakage . In particular, the Commission should put forward without delay proposals offsetting the regulatory burdens through the revision or abolishment of provisions in other Union legislative acts that generate compliance costs in the affected sectors.

Amendment 49

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

Text proposed by the Commission

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

1. This Directive shall apply to the activities listed in Annexes I, and to the greenhouse gases listed in Annex II. Where an installation that is included in the scope of the EU ETS due to the operation of combustion units with a total rated thermal input exceeding 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.

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 50

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point a

Directive 2003/87/EC

Article 3 – paragraph 1 – point b

Text proposed by the Commission

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

Amendment

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

Amendment 51

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point b

Directive 2003/87

Article 3 – paragraph 1 – point d

Text proposed by the Commission

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

Amendment

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

Amendment 52

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC
Article 3 – paragraph 1 – point v

Text proposed by the Commission

(v) ‘shipping company’ means the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention, set out in Annex I to Regulation (EC) No 336/2006 of the European Parliament and of the Council(*);

Amendment

(v) ‘shipping company’ means the shipowner or any other organisation or person, such as the manager or the bareboat charterer, that has assumed the responsibility for the operation of the ship from the shipowner and that, on assuming such responsibility, has agreed to take over all the duties and responsibilities imposed by the International Management Code for the Safe Operation of Ships and for Pollution Prevention, set out in Annex I to Regulation (EC) No 336/2006 of the European Parliament and of the Council(*);***when the ultimate responsibility for the operation of the ship and the decisions affecting the GHG emissions of the ship is assumed, by means of a contractual arrangement, by a different entity or entities, this entity/-ies shall be directly responsible for assuming the duties, responsibilities and compliance costs under this Directive to the extent provided under this contractual agreement. Operation of the ship for the purposes of this Article shall mean determining the cargo carried, the route or the speed of the ship.***

Amendment 53

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

Article 3 – paragraph 1 – point x

Text proposed by the Commission

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

Amendment

deleted

categories:

- (i) where the fuel passes through a tax warehouse as defined in Article 3(11) of Council Directive (EU) 2020/262(*), the authorised warehouse keeper as defined in Article 3(1) of that Directive, liable to pay the excise duty which has become chargeable pursuant to Article 7 of that Directive;*
- (ii) if point (i) is not applicable, any other person liable to pay the excise duty which has become chargeable pursuant to Article 7 of Directive (EU) 2020/262 in respect of the fuels covered by this Chapter;*
- (iii) if points (i) and (ii) are not applicable, any other person which has to be registered by the relevant competent authorities of the Member State for the purpose of being liable to pay the excise duty, including any person exempt from paying the excise duty, as referred to in Article 21(5), fourth sub-paragraph, of Council Directive 2003/96/EC(**);*
- (iv) if points (i), (ii) and (iii) are not applicable, or if several persons are jointly and severally liable for payment of the same excise duty, any other person designated by a Member State .*

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

*(**) Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283 31.10.2003, p. 51).*

Amendment 54

Proposal for a directive
Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC
Article 3 – paragraph 1 – point y

Text proposed by the Commission

Amendment

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

deleted

Amendment 55

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

Article 3 – paragraph 1 – point z

Text proposed by the Commission

Amendment

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

deleted

Amendment 56

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

(w a) “port of call” means the port where a ship stops to load or unload cargo or to embark or disembark passengers; consequently, for the purpose of this directive stops for the sole purposes of refuelling, obtaining supplies, relieving the crew, going into dry-dock or making repairs to the ship or its equipment, stops in port because the ship is in need of assistance or in distress, ship-to-ship

transfers carried out outside ports, stops in a transshipment port of a non-EU neighbouring country and stops for the sole purpose of taking shelter from adverse weather or rendered necessary by search and rescue activities are excluded;

Amendment 57

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

(w b) "transshipment port" means the port where the movement of one type of cargo to be transhipped exceeds the majority of the total traffic of that port. It needs to be considered that cargo, containers or goods are transhipped when they are unloaded from ship to the port for the sole purpose of loading them onto another ship;

Amendment 58

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

(w c) "deep sea routes" means shipping routes connecting two or more continents and performed by regular services covering more than 3 000 km where ships would carry out transshipment operations at any port in its route;

Amendment 59

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

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

Text proposed by the Commission

Amendment

(w d) "transhipment operation" means an operation in which any cargo, container or good is unloaded from a ship to the port for the sole purpose of loading it onto another ship;

Amendment 60

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

Article 3 – paragraph 1 – point w e (new)

Text proposed by the Commission

Amendment

(w e) "non-EU neighbouring country" means a non-EU country which is connected by the same sea basin to an EU Member State, or adjacent to an EU Member State;

Amendment 61

Proposal for a directive

Article 1 – paragraph 1 – point 2 – point d

Directive 2003/87/EC

Article 3 – paragraph 1 – point w f (new)

Text proposed by the Commission

Amendment

(w f) 'voyage' means any movement of a ship that originates from or terminates in a port of call and that serves the purpose of transporting passengers or cargo for commercial purposes.

Amendment 62

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

Text proposed by the Commission

Amendment

(4a) Article 3e is replaced by the following:

Article 3 e

Allocation and issue of allowances to aircraft operators for uplifting sustainable aviation fuels.

“1. As from [the date of entry into force of this Directive], the total quantity of allowances referred to in Article 3c(5a) shall be allocated free of charge for the uplift of sustainable aviation fuels, as reported to the European Union Aviation Safety Agency under Article 7, Article 8 and Article 9 of the Regulation 2021/0205 [ReFuelEU Regulation].

2. Each aircraft operator may apply for an allocation of allowances that are to be allocated free of charge for each year until 2040 based on the uplift of the fuels referred to in paragraph 1 from [the date of entry into force of this Directive].

(a) For each type of sustainable aviation fuel reported, the amount of allowances received shall correspond to the amount of allowances, which the aircraft operator would have been required to surrender for the same volume of fossil kerosene, based on the multipliers set by the Commission according to paragraph 3 of this Article. The quantity of allowances shall be proportionate to the total greenhouse gas emissions saved according to the treatment of those fuels under Directive (EU) 2018/2001) and the implementing acts referred to in Article 14(1) of the ETS directive, taking into account average market prices for each type of sustainable aviation fuel reported.

(b) For a transitional period until the implementing acts referred to in Article 14(1) enter into force, renewable fuels of non-biological origin shall be rated with zero emissions for the aircraft operators using them.

3. The Commission shall publish the costs difference between the kerosene and types of SAF on a yearly basis, based on the Report published under Article 12 of the Regulation 2021/0205 [ReFuelEU Regulation]. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the amount of allowances per year to be allocated for free according to Article 3c (5a), the multiplier per type of SAF and the detailed arrangements for the allocation.

4. An amount of free allowances referred to in Article 3c (5a) should be maintained beyond 2040 unless, following an impact assessment, the Commission determines and justifies otherwise to the European Parliament and the Council, based on the evident uptake of the SAF market.”

Amendment 63

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

Amendment

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

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

departing from a port outside the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State, one hundred percent (100 %) of emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State and one hundred percent (100 %) of emissions from ships at berth in a port under the jurisdiction of a Member State. *In the case of a distance between a port under the jurisdiction of a Member State and at a port outside the jurisdiction of a Member State that is less than [xxx] nautical miles [the Commission shall calculate the appropriate number of nautical miles], subject to an impact assessment establishing a list of port calls in neighbouring non-EU transshipment ports, the allocation of allowances and the application of surrender requirements in respect of maritime transport activities shall apply in respect of one hundred percent (100%) of the emissions from ships performing voyages departing from a port under the jurisdiction of a Member State and arriving at a port outside the jurisdiction of a Member State, including transshipment ports, one hundred percent (100%) of the emissions from ships performing voyage departing from a port outside the jurisdiction of a Member State, including transshipment ports, and arriving at a port under the jurisdiction of a Member State.*

Amendment 64

Proposal for a directive

Article 1 – paragraph 1 – point 5

Directive 2003/87/EC

Article 3g – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. The Commission shall pursue efforts to establish a global market-based

measure in partnership with the International Maritime Organization (IMO) in order to:

- cover 100% of the CO2 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 the emissions from ships at berth in a port under the jurisdiction of a Member State, and

- extend the scope of the EU ETS for maritime transport to one hundred percent (100%) for 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 and emissions from ships performing voyages from a port outside the jurisdiction of a Member State and arriving at a port under the jurisdiction of a Member State.

Amendment 65

Proposal for a directive

Article 1 – paragraph 1 – point 5

Directive 2003/87/EC

Article 3g – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. By way of derogation from Articles 3g and 3ga, Member States shall take no action against shipping companies in respect of emissions from ships performing voyages on routes between an island and a mainland or within islands which form part of the same insular region or area or voyages to and from ports located in an outermost region, between two different ports located in different outermost regions and between a port located in an outermost region and a port located in the same Member State or another EU Member State. Following a report to the European Parliament and

the Council on the possible impact of extending the scope of the EU ETS to maritime transport to and from outermost regions, the Commission shall assess whether it is justified to end this derogation, and, where appropriate, it shall submit an amendment for that purpose.

Amendment 66

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – introductory part

Text proposed by the Commission

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

Amendment

Shipping companies shall be liable to surrender allowances *in respect of the share/percentages of emissions from ships referred to in Article 3g* according to the following schedule:

Amendment 67

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – point a

Text proposed by the Commission

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

Amendment

(a) **25%** of verified emissions reported for *the first year subsequent to 18 months after the entry into force of this Directive*;

Amendment 68

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – point b

Text proposed by the Commission

Amendment

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

(b) **50** % of verified emissions reported for ***the second year subsequent to 18 months after the entry into force of this Directive***;

Amendment 69

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – point c

Text proposed by the Commission

Amendment

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

(c) **75** % of verified emissions reported for ***the third year subsequent to 18 months after the entry into force of this Directive***;

Amendment 70

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 1 – point d

Text proposed by the Commission

Amendment

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

(d) 100 % of verified emissions reported ***the fourth year subsequent to 18 months after the entry into force of this Directive***.

Amendment 71

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga – paragraph 2

Text proposed by the Commission

Amendment

To the extent that fewer allowances are

Member States shall provide at least 30%

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

of the allowances free of charge in the maritime ETS for shipping companies trading on deep-sea routes for those vessels carrying out at least 40% of transshipment operations in a call at a Union port, provided that ships operating on those routes do not develop alternative evasive routes and can demonstrate a high efficiency in accordance with a measurable environmental performance parameter. Those routes shall be incorporated in a list and reconsidered on an annual basis by the Commission.

Amendment 72

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

Text proposed by the Commission

Amendment

Article 3 ga a

1. A shipping company shall receive allowances allocated for free

(a) proportional with the use of biofuels, biogas, renewable fuels of non-biological origin and recycled carbon fuel, verified by a scheme that is recognised by the Commission in accordance with Article 30(5) and (6) of the Directive (EU) 2018/2001,

(b) until 31 December 2030, for vessels powered by LNG [and alternative fossil fuels for a transitional phase as defined in Article 2 of [Regulation ReFuelMaritime]], with respect to 50% of the allowances the shipping company is liable to surrender for those ships.

1a. Until 31 December 2030, a shipping company shall be entitled to use international credits to comply with its obligations as laid down in Article 12 up to a maximum of 6 % of its verified emissions in any calendar year if it can

officially prove those credits are obtained by participating in decarbonisation projects within the EU regions where they operate their ships.

2. For each type of fuel referred in paragraph 1(a), the amount of allowances received shall correspond to the amount of allowances, which the shipping company would have been required to surrender for the same volume of conventional fuel, based on the multipliers set by the Commission according to Paragraph 3 of this Article.

3. The Commission shall publish the costs difference between different types of maritime fuels on a yearly basis. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the amount of allowances per year to be allocated for free according to this Article, the multiplier per type of renewable and low-carbon fuels as defined in the Regulation xxx/xxx [ReFuel Maritime] and the detailed arrangements for the allocation.

4. A shipping company shall not receive allowances allocated for free for the use of biofuels and biogas that do not comply with the sustainability and greenhouse gas saving criteria set out in Article 29 of Directive (EU) 2018/2001.

5. By 1 January 2030, the multipliers referred to in paragraph 3(a) and 3(b) shall be reviewed to reflect market and technological developments.

6. By 1 January 2029, the Commission shall assess whether to postpone the phasing out of free allowances referred to in paragraph 1(b) and of the use of international credits referred to in paragraph 1a beyond 31 December 2030, based on a comprehensive analysis taking into account the Best Available Technology (BAT) approach.

Amendment 73

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ga b (new)

Text proposed by the Commission

Amendment

Article 3 ga b

Until 31 December 2030, the allocation of 100% of the allowances to vessels employed for LNG imports shall be free of charge . By 1 January 2029, the Commission shall assess whether to postpone the phase-out of free allowances for vessels employed for LNG imports beyond 2030. Such assessment shall be based on a BAT approach and on an evaluation of security of supply and affordability of gas procurement.

Amendment 74

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3gd – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) before 1 February **2024**, publish a list of shipping companies which performed a maritime activity listed in Annex I that fell within the scope defined in Article 3g on or with effect from 1 January **2023**, specifying the administering authority for each shipping company in accordance with paragraph 1; and

(a) before 1 February *the second year subsequent to 18 months after the entry into force of this Directive*, publish a list of shipping companies which performed a maritime activity listed in Annex I that fell within the scope defined in Article 3g on or with effect from 1 January *the first year subsequent to 18 months after the entry into force of this Directive*, specifying the administering authority for each shipping company in accordance with paragraph 1; and

Amendment 75

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

Text proposed by the Commission

Amendment

Article 3gd a

1. A dedicated Maritime Transition Fund (“the Maritime Fund”) shall be proposed by the Commission through a legislative act in order to support and accelerate projects, investments, innovations and first industrial application facilitating decarbonisation in the EU maritime sector, including short sea shipping and ports;

2. The Maritime Fund shall constitute an integral part of the EU budget and shall be fully budgeted within the MFF ceilings. The budgetary envelope for this programme shall be expressed as an amount set at a level equivalent to 75% of the revenue expected from the auctioning of maritime allowances. The Fund shall operate in shared management with the Member States under Regulation (EU) 2021/1060 of the European Parliament and of the Council.

3. The dedicated Maritime Fund shall support the transition to energy efficient and climate resilient EU maritime sector supporting development of innovative technologies for decarbonising the sector, production of sustainable alternative fuels as defined in Regulation (EU) XXX/XXX on the use of sustainable, renewable, low-carbon and zero emission fuels in maritime transport, including systems for collection of raw materials for alternative fuels, investments in research and development and first industrial application of technologies and designs reducing GHG emissions, including in the fleet, as well as the promotion of fleet renewal across the EU ship-building

industry, research for new engines and technologies and ports infrastructure;

4. 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.

5. The allocation of the Maritime Fund resources for each Member State shall take into consideration the impact of the proposal for a directive of the European Parliament and of the Council amending Directive 2003/87/EC on the sector as well as the innovative potential of the project, and investment in question to achieve the targets as set out in this proposal for a directive.

6. The resources of the Maritime Fund shall not be generated through reallocation of resources from any other EU policies, funds or programmes.

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

8. The Maritime Fund shall lead by example and the Commission in cooperation with Member States shall maintain an open dialogue with the IMO to push for a fund on global scale to tackle the decarbonisation of the global maritime sector.

Amendment 76

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ge – paragraph 1

Text proposed by the Commission

1. The Commission shall consider

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. Where appropriate, the Commission may follow to the report with a legislative proposal to the European Parliament and to the Council to amend this Directive as appropriate.

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 order to ensure and catalyse a global approach***. 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, ***consulting, where appropriate, with Scientific Advisory Board on Climate Change***, shall present a report to the European Parliament and to the Council in which it shall examine any such measure. Where appropriate, the Commission may follow to the report with a legislative proposal to the European Parliament and to the Council to amend this Directive as appropriate ***in order to align EU legislation with measures taken at global level***.

Amendment 77

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ge – paragraph 2

Text proposed by the Commission

2. The Commission shall monitor the implementation of this Chapter ***and*** possible trends as regards companies seeking to avoid being bound by the requirements of this Directive. If appropriate, the Commission shall propose measures to prevent ***such avoidance***;

Amendment

2. The Commission shall monitor ***and evaluate*** the implementation of this Chapter, possible trends ***and impacts*** as regards, ***inter alia, the competitiveness of the EU maritime sector and*** companies seeking to avoid being bound by the requirements of this Directive ***through annual reports analysing market distortions and deterioration of level playing field of the maritime sector. Among analysed trends, the Commission shall analyse changes in transshipment calls being made on ports in the Union, the number of voyages coming from neighbouring ports and port calls from feeder vessels and overall changes in port***

traffic in the Union ports among others. In this context, the Commission shall analyse and consider the potential inclusion of ships above 400GT and off-shore supply service vessels. If appropriate, the Commission shall propose measures to prevent possible adverse impacts;

When monitoring the implementation of this Chapter pursuant to the first subparagraph, the Commission shall furthermore monitor possible issues arising from the fact that the compliance of a ship with Regulation (EU) 2003/87/EC and Regulation (EU) 2015/757 is a shared responsibility of the operator as well as the registered owner, and propose measures to address loopholes, where appropriate.

Amendment 78

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ge – paragraph 2a (new)

Text proposed by the Commission

Amendment

2 a. *By 1 January 2025, the Commission, in close cooperation with the stakeholders, shall assess based on real data the competitiveness of the Union and its maritime sector, its ports and affected maritime and coastal regions and islands, their carbon and business leakage exposure, including the potential impacts and risk of those provisions on evasion, delocation of calls and port business to ports outside the EU, connectivity of ports in Europe by means of a comprehensive impact assessment of the Fit for 55 package. Within the same framework report, the Commission shall also examine changes in the labour market, transport freight rates, household purchasing power and supply chain*

interruptions. Following that impact assessment, the Commission shall develop adequate support mechanisms and determine whether it is justified to revise this Directive, and, where appropriate, it shall submit a legislative proposal for that purpose in order to reach global GHG emissions reduction and preserve a level-playing field. GHG emissions from the maritime sector have grown and are expected to grow further, therefore, alignment with a market-based measure developed in the IMO should be closely examined as a means to reach the EU's GHG emission reduction goals and climate neutrality by 2050 as set by the Climate Law as well as to address potential negative impacts.

Amendment 79

Proposal for a directive

Article 1 – paragraph 1 – point 6

Directive 2003/87/EC

Article 3ge – paragraph 2b (new)

Text proposed by the Commission

Amendment

2 b. *In 202X (one year after first phase-in of ETS for maritime), the Commission shall prepare a report on the development of import and export costs in form of indirect costs stemming from shipping for European manufacturing. On this basis, the Commission shall propose to Member States to adopt financial measures in line with the second and fourth subparagraphs of Article 10a (6) in favour of sectors or subsectors which are exposed to a genuine risk of carbon leakage due to indirect costs that are actually incurred from additional transport costs passed on in maritime freight prices for the import or export of products, precursors, raw materials and commodities. Those financial measures shall be in accordance with State aid rules, and in particular shall not cause*

undue distortions of competition in the internal market.

Amendment 80

Proposal for a directive

Article 1 – paragraph 1 – point 8

Directive 2003/87/EC

Article 6 – paragraph 2 – point e

Text proposed by the Commission

(e) an obligation to surrender ***allowances equal to the total emissions of the installation in*** each calendar year, as verified in accordance with ***Article 15***, within four months following the end of that year.;

Amendment

(e) an obligation to surrender each calendar year ***allowances in accordance with provisions of this Directive***, as verified in accordance with ***Articles 3gc and 15***, within four months following the end of that year.;

Amendment 81

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 referred into point a, paragraph 1 Article 3ga following entry into force of this amendment], the Union-wide quantity of allowances shall be increased by [number corresponding to scope of application to maritime transport activities as set out in Article 3g of Directive 2003/87/EC] 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 82

Proposal for a directive

Article 1 – paragraph 1 – point 11

Directive 2003/87/EC

Article 10 – paragraph 1 – subparagraph 1

Present text

1. From 2019 onwards, Member States shall auction all allowances that are not allocated free of charge in accordance with Articles 10a, **3ga**, **3gb**, and 10c of this Directive and that are not placed in the market stability reserve established by Decision (EU) 2015/1814 of the European Parliament and of the Council (the ‘market stability reserve’) or cancelled in accordance with Article 12(4) of this Directive.

² 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 system and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).

Amendment

1. From 2019 onwards, Member States shall auction all allowances that are not allocated free of charge in accordance with Articles 10a, **3ga**, **3gb**, and 10c of this Directive and that are not placed in the market stability reserve established by Decision (EU) 2015/1814 of the European Parliament and of the Council (the ‘market stability reserve’) or cancelled in accordance with Article 12(4) of this Directive.

² 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 system and amending Directive 2003/87/EC (OJ L 264, 9.10.2015, p. 1).

Amendment 83

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.

Amendment

In addition, **4** % of the total quantity of allowances between [year following the entry into force of the Directive] and 2030 **and the equivalent of 1,5% of the total quantity of allowances from the amount above 400 million allowances set aside in Market Stability Reserve for the purpose of Modernisation Fund** shall be auctioned for the Modernisation Fund. The

The funds corresponding to this quantity of allowances shall be distributed in accordance with Part B of Annex IIb.

beneficiary Member States for this amount of allowances shall be the Member States with a GDP per capita at market prices below 65 % of the Union average during the period 2016 to 2018. The funds corresponding to this quantity of allowances shall be distributed in accordance with Part B of Annex IIb. ***In addition, the equivalent of 1,5% of the total quantity of allowances between [year following the entry into force of the Directive] and 2030 from the amount above 400 million allowances set aside in Market Stability Reserve for the purpose of Innovation Fund shall be made available for the Innovation Fund established under Article 10a(8). Any further increase of the Modernisation Fund and the Innovation Fund shall not be generated through reallocation of resources from any other EU policies, funds or programmes;***

Amendment 84

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point b

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

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

Amendment

3. Member States shall determine the use of revenues generated from the auctioning of allowances, except for the revenues established as own resources in accordance with Article 311(3) TFEU and entered in the Union budget ***and the revenues transferred to the Maritime Fund in accordance with Article 3gd a.*** 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 85

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 – point a a (new)

Text proposed by the Commission

Amendment

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

“(a a) to facilitate the green transition through reinvesting the proceeds of the auctioning in the sector where the revenues come from to induce innovation and technological development, assist with the first industrial application, develop further support mechanisms and create necessary infrastructure; ”

Amendment 86

Proposal for a directive

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

Directive 2003/87/EC

Article 10 – paragraph 3 – subparagraph 1 – point f

Present text

Amendment

(f) to encourage a shift to low-emission and public forms of transport;

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

*“(f) to encourage a shift to low-emission and public forms of transport, **in particular the development of passenger and freight rail transport, multimodal air-rail projects on the TEN-T network, rail connections with a view to reducing flights on short distances, where possible, multimodal ports.**”*

Amendment 87

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point c

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Directive 2003/87/EC
Article 10 – paragraph 3 – subparagraph 1 – point h

Text proposed by the Commission

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

Amendment

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

Amendment 88

Proposal for a directive

Article 1 – paragraph 1 – point 11 – point d

Directive 2003/87/EC

Article 10 – paragraph 4

Text proposed by the Commission

4. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the timing, administration and other aspects of auctioning, including the modalities for the transfer of a share of revenues to the Union budget, in order to ensure that it is conducted in an open, transparent, harmonised and non-discriminatory manner.

Amendment

4. The Commission is empowered to adopt delegated acts in accordance with Article 23 to supplement this Directive concerning the timing, administration and other aspects of auctioning, including the modalities for the transfer of a share of revenues to the Union budget and the **Maritime Fund** in order to ensure that it is conducted in an open, transparent, harmonised and non-discriminatory manner.

Amendment 89

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point b

Directive 2003/87/EC

Article 10a – paragraph 1a – subparagraph 1

Text proposed by the Commission

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

Amendment

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

the date *of application* of the *Carbon Border Adjustment Mechanism*.

the date *when CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products, as to be reported by the Commission before the end of the transitional period for the introduction of this new carbon leakage prevention tool under Article 30(2) of [CBAM Regulation]*.

The ban on giving free allocation to the production of those products, set out in the first subparagraph, shall not apply to any part of the production of those products that is exported to third countries that do not have a carbon pricing mechanism similar or equivalent to the EU ETS.

Amendment 90

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 1

Text proposed by the Commission

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

Amendment

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

in the first subparagraph.

Amendment 91

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 3

Text proposed by the Commission

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

Amendment

The Innovation Fund shall cover the sectors listed in Annex I, including environmentally safe carbon capture and utilisation (“CCU”) that contributes substantially to mitigating climate change, as well as products **and processes** 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 **sustainable** renewable, **low to zero-emission** energy and energy storage technologies; in geographically balanced locations. The Innovation Fund **shall** also support break-through innovative technologies and infrastructure, **including for refuelling and recharging infrastructure in ports, connection to electricity grid and other energy infrastructure, and first industrial application** to decarbonise the maritime sector and for the production of low- and zero-carbon fuels in aviation and road transport; **further development of the railway system and local public transport addressing both the physical and digital infrastructure and fleets, promoting a modal shift**. Special attention shall be given to projects in sectors covered by the [CBAM regulation] to support innovation in low carbon technologies, CCU, CCS, renewable energy and energy storage, in a way that contributes to mitigating climate change.

Amendment 92

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 3 a (new)

Text proposed by the Commission

Amendment

In addition, the Innovation Fund shall support actions to promote the transition to an energy efficient and climate resilient EU maritime sector supporting the deployment of sustainable alternative and low carbon fuels, development of innovative and zero-emission technologies and infrastructure for decarbonising the sector.

Amendment 93

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 4 a (new)

Text proposed by the Commission

Amendment

The Innovation Fund shall aim at a geographical balanced support of the sectors covered, taking into account specific sectoral circumstances and investment needs.

Amendment 94

Proposal for a directive

Article 1 – paragraph 1 – point 12 – point g

Directive 2003/87/EC

Article 10a – paragraph 8 – subparagraph 6 a (new)

Text proposed by the Commission

Amendment

Projects funded by the Innovation Fund shall share knowledge, where possible,

with EU-based projects and researchers having a legitimate interest. The terms of knowledge-sharing shall be defined by the Commission in calls for proposals.

Amendment 95

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point a

Directive 2003/87/EC

Article 10d – paragraph 1 – subparagraph 2

Text proposed by the Commission

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

Amendment

The investments supported shall be consistent with the aims of this Directive, as well as the objectives of the Communication from the Commission of 11 December 2019 on The European Green Deal (*) and Regulation (EU) 2021/1119 of the European Parliament and of the Council (**) and the long-term objectives as expressed in the Paris Agreement. The Modernisation Fund shall ***provide support to transitional fuels and technologies, sustainable renewable fuels and technologies and zero-emission fuels and technologies.***”;

Amendment 96

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – point a

Text proposed by the Commission

(a) the generation and use of electricity from renewable sources;

Amendment

(a) the generation and use of electricity from renewable sources, ***from low-carbon fuels and from zero-emission fuels replacing a more carbon-intensive system;***

Amendment 97

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – point b

Text proposed by the Commission

(b) heating and cooling from renewable sources;

Amendment

(b) heating and cooling from renewable sources, ***from low-carbon fuels and from zero-emission fuels replacing a more carbon-intensive system;***

Amendment 98

Proposal for a directive

Article 1 – paragraph 1 – point 14 – point b

Directive 2003/87/EC

Article 10d – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(f a) investments in the deployment of alternative fuels infrastructure.

Amendment 99

Proposal for a directive

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

Directive 2003/87/EC

Article 12 – paragraph 1

Present text

1. Member States shall ensure that allowances can be transferred between:
(a) persons within the Union;
(b) persons within the Union and persons in third countries, where such allowances are recognised in accordance with the procedure referred to in Article 25 without restrictions other than those contained in, or adopted pursuant to, this Directive

Amendment

(-a) paragraph 1 is replaced by the following:

" 1. Member States shall ensure that allowances can be transferred between:
(a) regulated entities within the Union;
(b) regulated entities within the Union and persons in third countries, where such allowances are recognised in accordance with the procedure referred to in Article 25 without restrictions other than those contained in, or adopted pursuant to, this Directive ;

(c) regulated entities within the Union and financial intermediaries acting on behalf of regulated entities within the Union.

Amendment 100

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point c

Directive 2003/87/EC

Article 12 – paragraph 3 – point c and subparagraphs 1a (new) and 1b (new)

Text proposed by the Commission

(c) each shipping company surrenders a number of allowances equal to its total emissions during the preceding calendar year, as verified in accordance with **Article 3gc**.

Amendment

(c) each shipping company surrenders a number of allowances equal to its total emissions during the preceding calendar year, as verified in accordance with Article 3gc and Article 3ga.

Shipping companies may surrender fewer allowances on the basis of:

- ships' ice class or navigation in ice or both

By 31 December 2023 [year previous to first reporting year referred to in Article 3ga] the Commission shall adopt a delegated act pursuant to Article 23 to supplement this Directive concerning the method for surrendering an adjusted number of allowances for ice-classed vessels, including

- the methodology for calculating and determining adjustments of the emission allowances to be surrendered annually, on the basis of technical characteristics that increase emissions of ice-classed ships during their navigation at all times and any further increased emissions due to navigating in ice conditions, and

- the corresponding requirements for shipping companies intending to surrender fewer allowances on the basis of ships' ice class or navigation in ice or both.

Amendment 101

Proposal for a directive

Article 1 – paragraph 1 – point 15 – point c

Directive 2003/87/EC

Article 12 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Member States, administering Member States and administering authorities in respect of a shipping company shall ensure that allowances surrendered in accordance with the first *subparagraph* are subsequently cancelled.;

Amendment

Member States, administering Member States and administering authorities in respect of a shipping company shall ensure that allowances surrendered in accordance with the first *and second subparagraphs* are subsequently cancelled;

Amendment 102

Proposal for a directive

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

Directive 2003/87/EC

Article 12 – paragraph 4

Present text

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

Amendment

(e a) paragraph 4 is amended as follows:

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

Amendment 103

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

Text proposed by the Commission

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

Amendment

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

Amendment 104

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

Present text

2. **Any person** may hold allowances. The registry shall be accessible to the public and shall contain separate accounts to record the allowances held by each **person** to whom and from whom allowances are issued or transferred.

Amendment

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

”2. Without prejudice to paragraph 5, besides the central and national administration accounts, only regulated entities with past, current, or predictable future ETS compliance obligations may hold allowances. The registry shall be accessible to the public and shall contain separate accounts to record the allowances held by each entity to whom and from

whom allowances are issued or transferred.

Amendment 105

Proposal for a directive

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

Directive 2003/87/EC

Article 19 – paragraph 2a (new)

Present text

Amendment

(19 b) In Article 19 the following paragraph is inserted after paragraph 2:

"2a. Regulated entities with total annual emissions lower than 25 000 tonnes of carbon dioxide equivalent per year may mandate a natural person or a legal entity to open to operate registry accounts belonging to the regulated entity and conduct all types of transactions to which that account is entitled, on behalf of the regulated entity. Responsibility for compliance remains with the regulated entity. When mandating the natural person or the legal entity, the regulated entity shall ensure that there is no conflict of interest amongst the mandated person or entity and competent authorities, national administrators, verifiers or other bodies subject to the provisions of this Directive.

Amendment 106

Proposal for a directive

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

Directive 2003/87/EC

Article 23 – paragraph 3

Present text

Amendment

3. The delegation of power referred to in Articles 3d(3), 10(4), 10a(1) and (8), 10b(5), 12(7), third subparagraph, 19(3), Article 22, Articles 24(3), 24a(1), 25a(1) and Article 28c may be revoked at any

3. The delegation of power referred to in Articles 3d(3), **3e**, 10(4), 10a(1) and (8), 10b(5), 12(7), third subparagraph, 19(3), Article 22, Articles 24(3), 24a(1), 25a(1) and Article 28c may be revoked at any

time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.’

time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.’

Amendment 107

Proposal for a directive

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

Directive 2003/87/EC

Article 29b (new)

Present text

Amendment

(19 d) The following Article 29b is inserted after Article 29a:

“Article 29b

Short term price volatility containment mechanism

Where, for more than 4 consecutive weeks, the average price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is more than 15% the average price of allowance during the 4 preceding consecutive weeks in the auctions for the allowances, the Commission shall, as a matter of urgency, adopt a decision to release x million allowances covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814. The European Commission shall notify three months following the decision under this article the overall impacts on the EU carbon price, market participants and MSR. This report will be published and publicly available.»

Amendment 108

Proposal for a directive
Article 1 – paragraph 1 – point 19 e (new)
Directive 2003/87/EC
Article 29c (new)

Present text

Amendment

(19 e) The following Article 29c is inserted after Article 29a:

“Article 29c

Temporary virtual ceiling

Where, for more than four consecutive weeks, the price of allowance in the auctions carried out in accordance with the act adopted under Article 10(4) is the double of the average price in 2021 or the triple of the average price in 2020, the Commission shall, until insert date (i.e. 31/12/2025), adopt a decision to release sufficient allowances, covered by this Chapter from the Market Stability Reserve in accordance with Article 1a(7) of Decision (EU) 2015/1814, to support the existing carbon leakage protection mechanism. »

Amendment 109

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

Text proposed by the Commission

Amendment

(21) The following Chapter IVa is inserted after Article 30 :

deleted

[...]

(deletion of the entire point 21 on Chapter IVa)

Amendment 110

Proposal for a directive
Article 1 – paragraph 1 – point 21 a (new)

Directive 2003/87/EC
Article 31 – a (new)

Present text

Amendment

(21 a) The following Article 31 –a is inserted for Chapter V before Article 31:

“Article 31 -a

The Commission shall keep under review this Directive with regards to regulatory simplification [and including the combined and cumulative effect of the "fit for 55" package], and, where appropriate, propose amendments to this Directive. The Commission and the competent authorities shall continuously adapt to best practice administrative procedures and take all measures to simplify the enforcement of this Directive, keeping administrative burdens to a minimum. »

Amendment 111

Proposal for a directive
Article 1 – paragraph 1 – point 22
Directive 2003/87/EC
Annexes

Text proposed by the Commission

Amendment

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

(22) Annexes I, IIb, IV and V to Directive 2003/87/EC are amended in accordance with Annex I to this Directive.

Amendment 112

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

Text proposed by the Commission

Amendment

5. In any given year, if the total number of allowances in circulation is between 833 million and 1 096 million, a number of allowances equal to the difference between the total number of allowances in circulation, as set out in the most recent publication as referred to in paragraph 4 of this Article, and 833 million, shall be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and shall be placed in the reserve over a period of 12 months beginning on 1 **September** of that year. If the total number of allowances in circulation is above 1 096 million allowances, the number of allowances to be deducted from the volume of allowances to be auctioned by the Member States under Article 10(2) of Directive 2003/87/EC and to be placed in the reserve over a period of 12 months beginning on 1 **September** of that year shall be equal to 12 % of the total number of allowances in circulation. By way of derogation from the last sentence, until 31 December 2030, the percentage shall be doubled.

Without prejudice to the total amount of allowances to be deducted pursuant to this paragraph, until 31 December 2030, allowances referred to in Article 10(2), first subparagraph, point (b), of Directive 2003/87/EC shall not be taken into account when determining Member States' shares contributing to that total amount.

Amendment 113

Proposal for a directive

Article 2 – paragraph 1 – point 1 – point c

Decision (EU) 2015/1814

Article 1 – paragraph 5a

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 **July** 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 **July** 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, *if during the preceding year period on the European carbon market the average allowance price is lower than 30 EUR.*

Without prejudice to the total amount of allowances to be deducted pursuant to this paragraph, until 31 December 2030, allowances referred to in Article 10(2), first subparagraph, point (b), of Directive 2003/87/EC shall not be taken into account when determining Member States' shares contributing to that total amount.

Text proposed by the Commission

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

Amendment

5a. Unless otherwise decided in the first review carried out in accordance with Article 3, from 2023 allowances held in the reserve above 400 million allowances shall ***be set aside for the purpose of increasing the Modernisation Fund, the Innovation Fund and prevention of triggering of the cross-sectoral correction factor.***

Amendment 114

Proposal for a directive

Article 2 – paragraph 1 – point 2

Decision (EU) 2015/1814

Article 1a

Text proposed by the Commission

(2) ***the following Article 1a is inserted:***

“Article 1a

Operation of the Market Stability Reserve for the buildings and road transport sectors

[...]

Amendment

deleted

Amendment 115

Proposal for a directive

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

Regulation (EU) 2015/757

Article 2 – paragraph 2

Present text

2. This Regulation does not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, ***or*** government ships used for non-commercial purposes.

Amendment

2. This Regulation does not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, government ships used for non-commercial purposes ***or ships for civil protection and search and rescue purposes.***

Amendment 116

Proposal for a directive

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

Regulation (EU) 2015/757

Article 3 – point b

Present text

(b) ‘port of call’ means the port where a ship stops to load or unload cargo or to embark or disembark passengers; consequently, stops for the sole purposes of refuelling, obtaining supplies, relieving the crew, going into dry-dock or making repairs to the ship and/or its equipment, stops in port because the ship is in need of assistance or in distress, ship-to-ship transfers carried out outside ports, and stops for the sole purpose of taking shelter from adverse weather or rendered necessary by search and rescue activities are excluded;

Amendment

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

"(b) ‘port of call’ means the port where a ship stops to load or unload cargo or to embark or disembark passengers; consequently, ***for the purpose of this regulation***, stops for the sole purposes of refuelling, obtaining supplies, relieving the crew, going into dry-dock or making repairs to the ship and/or its equipment, stops in port because the ship is in need of assistance or in distress, ship-to-ship transfers carried out outside ports, ***stops in a transshipment port of a non-EU neighbouring country*** and stops for the sole purpose of taking shelter from adverse weather or rendered necessary by search and rescue activities are excluded;

Amendment 117

Proposal for a directive

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

Regulation (EU) 2015/757

Article 3 – points oa (new) and ob (new)

Text proposed by the Commission

Amendment

(-1b) in Article 3, the following points (oa) and (ob) are added:

(oa) 'navigating in ice conditions' means navigating of an ice-classed ship in a sea area within the ice edge.

(ob) "ice edge" is defined by paragraph 4.4. of the WMO Sea-Ice Nomenclature,

March 2014 as the demarcation at any given time between the open sea and sea ice of any kind, whether fast or drifting.

Amendment 118

Proposal for a directive

Article 3 – paragraph 1 – point 4 – point -a (new)

Regulation (EU) 2015/757

Article 6 – paragraph 4

Present text

4. The monitoring plan *may* also contain information on the ice class of the ship and/or the procedures, responsibilities, formulae and data sources for determining and recording the distance travelled and the time spent at sea when navigating *through ice*.

Amendment

(-a) paragraph 4 is replaced by the following:

"4. For shipping companies aiming to surrender fewer emission allowances on the basis of ships' ice class or navigation in ice conditions or both under Directive 2003/87/EC, the monitoring plan shall also contain information on the ice class of the ship and the procedures, responsibilities, formulae and data sources for determining and recording the distance travelled and the time spent at sea when navigating in ice conditions.

Information on procedures of recording the date and time when navigating in ice conditions and whether the voyage occurs between ports under a Member State's jurisdiction, departs from a port under a Member State's jurisdiction or arrives to a port under a Member State's jurisdiction, shall also be provided. "

Amendment 119

Proposal for a directive

Article 3 – paragraph 1 – point 5 a (new)

Regulation (EU) 2015/757

Article 9 – paragraph 1

Present text

Amendment

(5 a) Article 9, paragraph 1 is amended

as follows:

(a) the following point h is added:

"(h) ice-class and whether the voyage involved navigation in ice conditions, if the shipping company aims to surrender fewer emission allowances on that basis under Directive 2003/87/EC. If the voyages involved navigating in ice conditions and if the shipping company aims to surrender fewer emission allowances on that basis under Directive 2003/87/EC, the information on date, time, and location when navigating in ice conditions, method used to measure fuel oil consumption, fuel consumption and the fuel's emission factor for each type of fuel when navigating in ice conditions, and distance travelled when navigating in ice conditions shall also be provided.

(b) the last subparagraph is replaced by the following:

"If the shipping company aims to surrender fewer emission allowances on the basis of ship's navigation in ice conditions under Directive 2003/87/EC, it can only apply the exception under the first subparagraph for those months when the ship does not sail in ice conditions."

Companies may also monitor information relating to the ship's ice class and to navigation through ice, where applicable.

Amendment 120

Proposal for a directive

Article 3 – paragraph 1 – point 5 b (new)

Regulation (EU) 2015/757

Article 9 – paragraph 2

Present text

2. By way of derogation from paragraph 1 of this Article and without prejudice to Article 10, a company shall be exempt from the obligation to monitor the information referred to in paragraph 1 of

Amendment

(5 b) In Article 9, paragraph 2 is replaced by the following:

"2. By way of derogation from paragraph 1 of this Article and without prejudice to Article 10, a company shall be exempt from the obligation to monitor the information referred to in paragraph 1 of this Article on

this Article on a per-voyage basis in respect of a specified ship, if:

- (a) all of the ship's voyages during the reporting period either start from or end at a port under the jurisdiction of a Member State; and
- (b) the ship, according to its schedule, performs more than 300 voyages during the reporting period.

a per-voyage basis in respect of a specified ship if:"

- (a) all of the ship's voyages during the reporting period either start from or end at a port under the jurisdiction of a Member State; and *either of the following applies*
- (b) the ship, according to its schedule, performs more than 300 voyages during the reporting period *or*
- (c) *the company for those voyages forfeits the right to surrender fewer emission allowances on the basis of the navigation in ice under Directive 2003/87/EC*

Amendment 121

Proposal for a directive

Article 3 – paragraph 1 – point 6 a (new)

Regulation (EU) 2015/757

Article 10 – paragraph 1 – point k a new

Text proposed by the Commission

Amendment

(6 a) In Article 10, the following point (ka) is added:

"(ka) Companies may monitor information relating to the ship's ice class and to navigation through ice, where applicable. For shipping companies aiming to surrender fewer emission allowances on the basis of ships' ice class or navigation in ice or both under Directive 2003/87/EC the monitoring shall separately include the ice-class, aggregated distance travelled and aggregated CO2 emissions from all voyages that involved navigating in ice conditions and total distance travelled during voyages that involved navigating in ice conditions."

Amendment 122

Proposal for a directive
Article 4 – paragraph 1

Text proposed by the Commission

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with **Articles 1 and 2 of this Directive** by 31 December **2023 at the latest**. They shall **forthwith** communicate **to the Commission** the text of those **provisions**.

Amendment

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 31 December **of the subsequent year to the year of entry into force of this Directive** . They shall **immediately** communicate the text of those **measures to the Commission**.

Amendment 123

Proposal for a directive
Annex – paragraph 1 – point c-point vii-table
 Directive 2003/87/EC
 ANNEX I – paragraph 1 – point c – point vii – table

<i>Text proposed by the Commission</i>	
“Maritime transport	Greenhouse gases covered by Regulation (EU) 2015/757”;
Maritime transport activities of ships covered by Regulation (EU) 2015/757 of the European Parliament and of the Council performing voyages with the purpose of transporting passengers or cargo for commercial purposes	
<i>Amendment</i>	
“Maritime transport	Greenhouse gases covered by Regulation (EU) 2015/757”;
Maritime transport activities of ships covered by Regulation (EU) 2015/757 of the European Parliament and of the Council performing voyages with the purpose of transporting passengers or cargo for commercial purposes <i>This activity shall not include:</i> <i>(a) voyages performed in the framework of a public service contract or subject to public service obligations in accordance</i>	

with Regulation (EEC) N° 3577/92;

(b) voyages performed on routes to and/or from outermost regions and voyages operating within outermost regions, as specified in Article 299(2) of the Treaty;

(c) voyages performed on routes between island and mainland, within islands which form part of the same insular region or area;

(d) voyages performed by a ship with total annual emissions lower than 10 000 tonnes per year;

(e) humanitarian voyages;

(f) search and rescue voyages or parts of normal voyages by ships where search and rescue activities had to be carried out;

(g) Force majeure for all or part of the voyage;

Amendment 124

Proposal for a directive

Annex I – paragraph 1 – point a

Directive 2003/87/EC

Annex I – point 1

Text proposed by the Commission

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

Amendment 125

Proposal for a directive

Annex I – point 2

Directive 2003/87/EC

Annexes III, III a, III b

Amendment

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

Text proposed by the Commission

Amendment

(2) The following Annexes are inserted as Annexes III, III a, III b to Directive 2003/87/EC :

deleted

[...]

(deletion of the entire point 2 and corresponding Annexes)

Amendment 126

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

Text proposed by the Commission

Amendment

(c) the following Part C is added:

deleted

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

[...]

Amendment 127

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

Text proposed by the Commission

Amendment

(4) in Annex V to Directive 2003/87/EC, the following Part C is added:

deleted

“PART C — Verification of emissions corresponding to the activity referred to in Annex III

[...]

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	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
References	COM(2021)0551 – C9-0318/2021 – 2021/0211(COD)
Committee responsible Date announced in plenary	ENVI 13.9.2021
Opinion by Date announced in plenary	TRAN 13.9.2021
Rapporteur for the opinion Date appointed	Andrey Novakov 29.10.2021
Discussed in committee	7.2.2022
Members present for the final vote	Magdalena Adamowicz, Andris Ameriks, José Ramón Bauzá Díaz, Erik Bergkvist, Izaskun Bilbao Barandica, Paolo Borchia, Karolin Braunsberger-Reinhold, Marco Campomenosi, Massimo Casanova, Jakop G. Dalunde, Karima Delli, Anna Deparnay-Grunenberg, Ismail Ertug, Gheorghe Falc , Giuseppe Ferrandino, Carlo Fidanza, Mario Furore, Søren Gade, Isabel García Muñoz, Jens Gieseke, Elsi Katainen, Elena Kountoura, Julie Lechanteux, Bogusław Liberadzki, Peter Lundgren, Benoît Lutgen, El bieta Katarzyna Łukacijewska, Marian-Jean Marinescu, Tilly Metz, Cláudia Monteiro de Aguiar, Caroline Nagtegaal, Jan-Christoph Oetjen, Philippe Olivier, Rovana Plumb, Tomasz Piotr Por ba, Dominique Riquet, Massimiliano Salini, Vera Tax, Barbara Thaler, István Ujhelyi, Henna Virkkunen, Petar Vitanov, Elissavet Vozemberg-Vrionidi, Lucia Vuolo, Roberts Z le, Kosma Złotowski
Substitutes present for the final vote	Leila Chaibi, Clare Daly, Pär Holmgren

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

30	+
ECR	Carlo Fidanza, Tomasz Piotr Por ba, Roberts Z le, Kosma Złotowski
ID	Paolo Borchia, Marco Campomenosi, Massimo Casanova, Julie Lechanteux, Philippe Olivier
PPE	Magdalena Adamowicz, Karolin Braunsberger-Reinhold, Gheorghe Falc , Jens Gieseke, El bieta Katarzyna Łukacijewska, Benoît Lutgen, Marian-Jean Marinescu, Cláudia Monteiro de Aguiar, Massimiliano Salini, Barbara Thaler, Henna Virkkunen, Elissavet Vozemberg-Vrionidi, Lucia Vuolo
Renew	José Ramón Bauzá Díaz, Izaskun Bilbao Barandica, Søren Gade, Elsi Katainen, Caroline Nagtegaal, Dominique Riquet
S&D	Andris Ameriks, Isabel García Muñoz

8	-
ECR	Peter Lundgre
S&D	Vera Tax
The Left	Leila Chaibi, Clare Daly
Verts/ALE	Karima Delli, Anna Deparnay-Grunenberg, Pär Holmgren, Tilly Metz

10	0
NI	Mario Furore
Renew	Jan-Christoph Oetjen
S&D	Erik Bergkvist, Ismail Ertug, Giuseppe Ferrandino, Bogusław Liberadzki, Rovana Plumb, István Ujhelyi, Petar Vitanov
The Left	Elena Kountoura

Key to symbols:

+ : in favour

- : against

0 : abstention