



EUROPEAN
COMMISSION

Brussels, XXX
[...] (2026) XXX draft

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of XXX

determining revised benchmark values for free allocation of emission allowances for the period from 2026 to 2030 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council

(Text with EEA relevance)

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of **XXX**

determining revised benchmark values for free allocation of emission allowances for the period from 2026 to 2030 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC¹, and in particular Article 10a(2) thereof,

Whereas:

- (1) Commission Decision 2011/278/EU² determined 54 benchmarks serving as basis for free allocation (the ‘benchmarks’) and values for those benchmarks for the period from 2013 to 2020. Commission Delegated Regulation (EU) 2019/331³ replaced Decision 2011/278/EU and laid down identical starting points for the determination of annual reduction rates for each benchmark value update for the period from 2021 to 2030.
- (2) Commission Implementing Regulation (EU) 2021/447⁴ determined the revised benchmark values for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC. The revised benchmark values for the period from 2026 to 2030 are to be based on a new reference period as regards the submission of data and the application of the annual reduction rate. Therefore, those revised values should be established in this Regulation.
- (3) Directive 2003/87/EC was amended by Directive (EU) 2023/959 of the European Parliament and of the Council⁵ to align the Union emissions trading system (‘EU

¹ OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>.

² Commission Decision 2011/278/EU of 27 April 2011 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 130, 17.5.2011, p. 1, ELI: <http://data.europa.eu/eli/dec/2011/278/oj>).

³ 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, ELI: http://data.europa.eu/eli/reg_del/2019/331/oj).

⁴ Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining revised benchmark values for free allocation of emission allowances for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 87, 15.3.2021, p. 29, ELI: http://data.europa.eu/eli/reg_impl/2021/447/oj).

⁵ Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability

ETS') with Regulation (EU) 2021/1119 of the European Parliament and of the Council⁶, which sets a target of at least 55 % net emission reductions by 2030 compared to 1990. As a result, Commission Implementing Regulation (EU) 2018/2066⁷ on the monitoring and reporting of greenhouse gas emissions was amended by Commission Implementing Regulation (EU) 2023/2122⁸ and Delegated Regulation (EU) 2019/331 determining transitional Union-wide rules for harmonised free allocation of emission allowances was amended by Commission Delegated Regulation (EU) 2024/873⁹. Those amendments to Directive 2003/87/EC, Implementing Regulation (EU) 2018/2066 and Delegated Regulation (EU) 2019/331 are therefore relevant to the determination of revised benchmark values for the period from 2026 to 2030.

- (4) In accordance with Article 10a(2), third subparagraph, point (c), of Directive 2003/87/EC, the revised benchmark values for the period from 2026 to 2030 are to be determined on the basis of information on the greenhouse gas efficiency of installations submitted pursuant to Article 11 of that Directive for the years 2021 and 2022. For each benchmark, the average greenhouse gas efficiency in 2021 and 2022 of the installations producing under each benchmark is to be calculated. On the basis of a comparison of the average value of the 10 % most efficient installations under each benchmark with the benchmark values set out in Annex I to Delegated Regulation (EU) 2019/331, annual reduction rates are to be determined for each benchmark for the 14-year period from 2007/2008 to 2021/2022. Those annual reduction rates are then to be used to calculate, by means of extrapolation, the corresponding reductions of the benchmark values for the 20-year period from 2007/2008 to 2027/2028. In accordance with Article 10a(2), third subparagraph, point (d), of Directive 2003/87/EC, the applied reduction over the 20-year period should not be lower than 6 % and not be higher than 50 %. Specific provisions apply for the update of the benchmark values for aromatics and syngas, in accordance with Article 10a(2), fourth subparagraph, that aligns the adjustment percentage with the one applying for the refineries benchmarks. Since Directive (EU) 2023/959 decoupled the update of the benchmark values for refineries and for hydrogen, those specific provisions aligning the update of the benchmark values for aromatics and syngas with that of refineries do not apply to the update of the benchmark values for hydrogen.

reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, p. 134, ELI: <http://data.europa.eu/eli/dir/2023/959/oj>).

⁶ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (OJ L 243, 9.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>).

⁷ Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2018/2066/oj).

⁸ Commission Implementing Regulation (EU) 2023/2122 of 17 October 2023 amending Implementing Regulation (EU) 2018/2066 as regards updating the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L, 2023/2122, 18.10.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2122/oj).

⁹ Commission Delegated Regulation (EU) 2024/873 of 30 January 2024 amending Delegated Regulation (EU) 2019/331 as regards transitional Union-wide rules for harmonised free allocation of emission allowances (OJ L, 2024/873, 4.4.2024, ELI: http://data.europa.eu/eli/reg_del/2024/873/oj).

- (5) Following the revised definition of ‘emissions’ introduced by Directive (EU) 2023/959, and pursuant to Commission Implementing Regulation (EU) 2026/389¹⁰, the methodology for the update of the soda ash benchmark is to consider the corresponding intermediary emissions monitored and reported in accordance with Implementing Regulation (EU) 2018/2066. To that end, for the period from 2026 to 2030, those emissions should be added to the soda ash benchmark value as final step in the calculation following the application of the annual reduction rate over the 20 years extrapolation period.
- (6) In view of ensuring comparability with the previous benchmark update exercises, for the benchmarks listed under section 2 of Annex I to Delegated Regulation (EU) 2019/331, which were previously affected by the exchangeability of fuel and electricity rules, the average greenhouse gas efficiency of the 10% most efficient installations producing under each of those benchmarks should take into account their indirect emissions from electricity consumption when used for determining the revised benchmark values for free allocation of emission allowances for the period from 2026 to 2030.
- (7) Delegated Regulation (EU) 2024/873 also provided for the inclusion of measurable and non-measurable heat produced from electricity under the heat and fuel benchmarks, and this should be considered when determining the revised benchmark values applicable for the period from 2026 to 2030.
- (8) Furthermore, Delegated Regulation (EU) 2024/873 introduced modifications to a number of benchmarks regarding definitions and system boundaries. That Regulation thus opened the sintered ore benchmark as well as white and grey cement clinker benchmarks to alternative products of agglomerated iron ore and alternative hydraulic binders, respectively. Furthermore, it included hydrogen produced from water electrolysis in the hydrogen benchmark or ammonia benchmark. Those modifications should be considered when determining the revised benchmark values for the period from 2026 to 2030.
- (9) Delegated Regulation (EU) 2024/873 also modified the hot metal benchmark by adding to the definitions of products covered and the system boundaries under that benchmark the production of steel using direct reduction technology. In accordance with Article 10a(2), third subparagraph, point (e), of Directive 2003/87/EC, production of steel under the hot metal benchmark using direct reduction technology is not to be considered when calculating the average greenhouse gas efficiency of the installations for the revised benchmark values for the period from 2026 to 2030.
- (10) The list of installations containing information relevant for free allocation of emission allowances was submitted to the Commission by the Member States by 30 September 2024 in accordance with Article 11(1) of Directive 2003/87/EC. To ensure that the benchmark values are based on correct data, the Commission carried out in-depth completeness and consistency checks of the data relevant for the free allocation of emission allowances. Where appropriate, the Commission asked the concerned competent authorities for clarifications and corrections. The Commission also held technical exchanges with stakeholders in order to ensure in-depth consultation of their specific views. As a result of this procedure, an accurate, consistent and comparable

¹⁰ Commission Implementing Regulation (EU) 2026/389 of 23 February amending Implementing Regulation (EU) 2021/447 as regards the determination of a revised soda ash benchmark value for the year 2025 (OJ L, 2026/389, 26.2.2026, ELI: http://data.europa.eu/eli/reg_impl/2026/389/oj).

set of data was generated on the greenhouse gas efficiencies of all stationary installations covered by Directive 2003/87/EC that submitted an application for free allocation in accordance with Article 4 of Delegated Regulation (EU) 2019/331. That high-quality dataset was used to determine the revised benchmark values for the period from 2026 to 2030 for each of the 54 benchmarks.

- (11) In accordance with Articles 27 and 27a of Directive 2003/87/EC, several Member States have decided to exclude installations from the EU ETS for the period from 2026 to 2030 based on those provisions. Those installations should therefore not be considered when determining the revised benchmark values.
- (12) Directive (EU) 2023/959 amended the descriptions of certain categories of activities listed in Annex I to Directive 2003/87/EC, and thereby included additional installations in the scope of the EU ETS and its monitoring and reporting obligations as from 1 January 2024. Hence, there is a number of additional installations covered by the EU ETS as from 1 January 2024, including installations which have been operating prior to that date. As those installations entered the EU ETS after the years 2021 and 2022 that are relevant for the submission of data pursuant to Article 11 of Directive 2003/87/EC, the data reported by them for the time before they became subject to the monitoring and reporting obligations should not be considered when determining the revised benchmark values for the period from 2026 to 2030.
- (13) Delegated Regulation (EU) 2019/331 includes rules for determining emissions at sub-installation level to ensure the consistent treatment of emissions related to imports, exports and in-house production of measurable heat, of carbon-containing waste gases and of transferred CO₂. For that purpose, the relevant emission factors were determined by using the heat and fuel benchmark values which in turn had been updated by applying the determined annual reduction rates. For heat imports with unknown or not clearly defined emission factors and for heat exports, a value of 40,5 t CO₂ equivalents/TJ was used. That value was obtained by applying an annual reduction rate of 2,5% to the heat benchmark value for the 14-year period from 2007/2008 to 2021/2022. For waste gas exports, a value of 37,4 t CO₂ equivalents/TJ was subtracted from the actual emission factor of the waste gas. That value corresponds to the emission factor of natural gas (56,1 t CO₂ equivalents/TJ) multiplied by a factor of 0,667 that accounts for the difference in efficiencies between the use of the waste gas and the use of the reference fuel natural gas. For waste gas imports, a value of 36,5 t CO₂ equivalents/TJ was used. That value was obtained by applying an annual reduction rate of 2,5 % to the fuel benchmark value for the 14-year period from 2007/2008 to 2021/2022. In addition, where electricity is produced in a sub-installation, other than via the intermediate production of measurable heat, a value of 0,300 t CO₂ equivalents/MWh was used. That value corresponds to the EU-wide average emission factor for electricity production.
- (14) Where, on the basis of the data reported by installations, it was not possible to determine, in a precise and consistent way, emissions in product benchmark sub-installations, in particular in the case of sub-installations importing or exporting intermediate products whose production is covered by the system boundaries of another product benchmark, the greenhouse gas efficiencies of the concerned sub-installations should not be considered when determining the revised benchmark values. This concerns the benchmark value updates for refinery products, hot metal, sintered dolime, ammonia, steam cracking, phenol/acetone, hydrogen and soda ash.

- (15) The methodology for attributing emissions to different sub-installations that is established in Delegated Regulation (EU) 2019/331 can lead to negative greenhouse gas efficiencies in cases in which heat produced using a fuel with a low emission factor is exported to other sub-installations or installations. In such cases, it is appropriate for the greenhouse gas efficiency of the concerned sub-installation to be set to zero for the purpose of determining the revised benchmark values.
- (16) To address concerns expressed by some industrial sectors, the Commission will propose in the upcoming ETS revision the introduction of sector-specific fallback benchmarks. This should be implemented by means of a specific empowerment for the Commission to define such sector-specific fallback benchmarks and a calculation method for the determination of the respective benchmark values. In order to ensure timely and effective support to the sectors concerned, this revised methodology should become applicable as early as possible.
- (17) In view of the need to ensure legal certainty for harmonised free allocation of emission allowances for the period 2026-2030, in particular concerning free allocation for the year 2026, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.
- (18) The measures provided for in this Regulation are in accordance with the opinion of the Climate Change Committee,

HAS ADOPTED THIS REGULATION:

Article 1

The revised benchmark values listed in the Annex shall apply for the harmonised free allocation of emission allowances for the period from 2026 to 2030.

Article 2

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
Ursula VON DER LEYEN