

## Factual Summary Report

**Disclaimer:** This document should be regarded solely as a summary of the contributions made by stakeholders in the open consultation on the review of the EU ETS for maritime, aviation and stationary installations, and of the Market Stability Reserve. It cannot in any circumstances be regarded as the official position of the Commission or its services. Responses to the consultation activities cannot be considered as a representative sample of the views of the EU population.

## 1. OBJECTIVE AND METHODOLOGY

As part of the back-to-back evaluation and impact assessment to support the revision of the EU ETS Directive and the Market Stability Reserve (MSR) Decision, a public consultation was conducted to gather stakeholder views on aviation and maritime emissions, carbon leakage, carbon removals, municipal waste incineration (MWI), non-permanent carbon capture and use (CCU), thermal input thresholds, linking with other carbon markets, and the MSR.

The consultation ran from 14 April 2025 to 8 July 2025. The online questionnaire contained 61 questions, mainly multiple-choice questions but with the possibility to elaborate on the given response and to submit position papers.

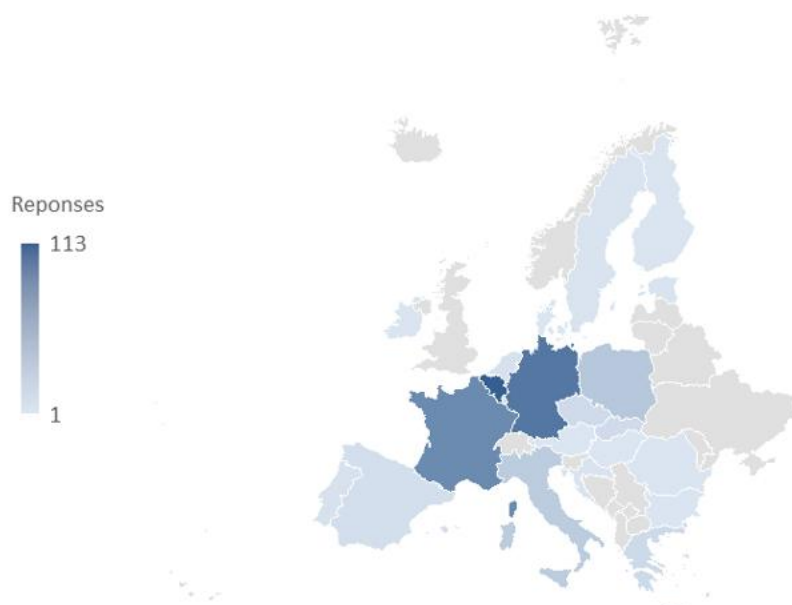
This factual summary provides an overview of the contributions received. A more comprehensive analysis of the replies will be provided in the impact assessment.

14 campaigns were identified across both open-ended and closed questions<sup>1</sup>, involving 127 respondents. 69% of responses identified as campaigns were submitted by representatives of companies, businesses or business associations.

## 2. OVERVIEW OF RESPONDENTS

540 stakeholders responded to the public consultation. Respondents represented a wide geographic distribution: 417 responses originated from 23 Member States. The largest shares came from Belgium (113; 21%), Germany (93; 17%), and France (77; 14%). 120 responses were submitted from outside the EU.<sup>2</sup>

Figure 1. Geographical distribution of responses by EU Member State

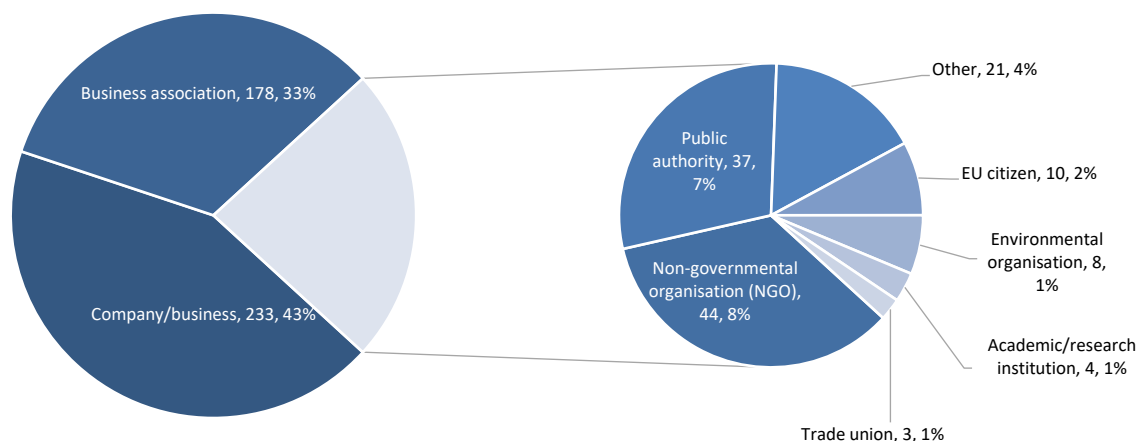


<sup>1</sup> Campaign answers were segregated and analysed separately. Most campaigns were identified through the open-ended questions, while one campaign was identified in the closed questions, which is referenced in the relevant sections of the Factual Summary. These campaign respondents are from the waste management sector located in France.

<sup>2</sup> In addition, 3 out of the 540 respondents did not specify the country of origin.

The majority of responses (411; 76%) were submitted by private sector stakeholders, including companies and businesses (233; 43%) and business associations (178; 33%), followed by NGOs (44; 8%), public authorities (37; 7%), EU citizens (10; 2%) environmental organisations (8; 1%), academic or research institutions (4; 1%) and trade unions (3; 1%). Within the company category, 84 out of 233 respondents<sup>3</sup> (36%) were classified as SMEs<sup>4</sup>.

Figure 2. Responses by stakeholder group (n=538<sup>5</sup>)



### 3. RESULTS OF THE PUBLIC CONSULTATION

The aggregated responses to a selection of key questions from each section of the questionnaire are presented below.

#### 3.1 EVALUATION

**Effectiveness:** Most respondents consider the ETS Directive effective in reducing greenhouse gas (GHG) emissions (157 out of 314 (50%) moderately, 59 (19%) very effective). 72 (23%) consider it slightly effective and 7 (2%) ineffective. Current carbon leakage protection measures in non-CBAM sectors were also generally viewed as moderately effective (138 out of 300, 46%).

The MSR is considered moderately to very effective in addressing the structural surplus of allowances in the EU ETS by most respondents (182 out of 282, 64%), most often citing the reduction of auction volumes (96 out of 269, 36%), followed by the invalidation mechanism (31; 11%), as key features.

**Efficiency:** A majority of respondents view the ETS Directive as efficient in achieving its objectives in a cost-effective manner (111 out of 291 (38%) moderately, 39 (13%) very efficient). Nearly a quarter considers it slightly efficient (67; 23%). 52 respondents (18%) find it not efficient. For the MSR Decision, a relative majority rates it as efficient (69 out of 276 respondents (25%) moderately, 38 (14%) very efficient), compared to slightly efficient (36; 13%) or not efficient (37; 13%).

**Relevance:** Three quarters of respondents consider the ETS Directive relevant to a very large (138 out of 294, 47%) or large (81; 27%) extent, indicating strong support for ongoing EU-level action. Also for the MSR Decision, a relative majority considers it relevant to a very large (65; 23%) or large (50; 18%) extent, although more selected “Do not know” than for the ETS Directive (25% vs. 5% respectively).

**Coherence:** Most respondents perceive the ETS Directive and MSR Decision as coherent with other EU policies and international climate agreements (84 out of 293 or 29% to a very large or large extent, 110 or 38% to some extent).

<sup>3</sup> 1 respondent did not indicate their company size.

<sup>4</sup> Small and medium enterprises with organisation size of up to 249 employees.

<sup>5</sup> 2 respondents did not indicate their stakeholder group.

**EU Added value:** A majority of respondents perceive the EU ETS and MSR as having high (93 out of 298, 31%) or very high (86; 29%) added value in reducing GHG emissions in the EU. 80 respondents (27%) consider it moderate. Smaller shares rated the value added as low (11; 3%) or very low (17; 6%).

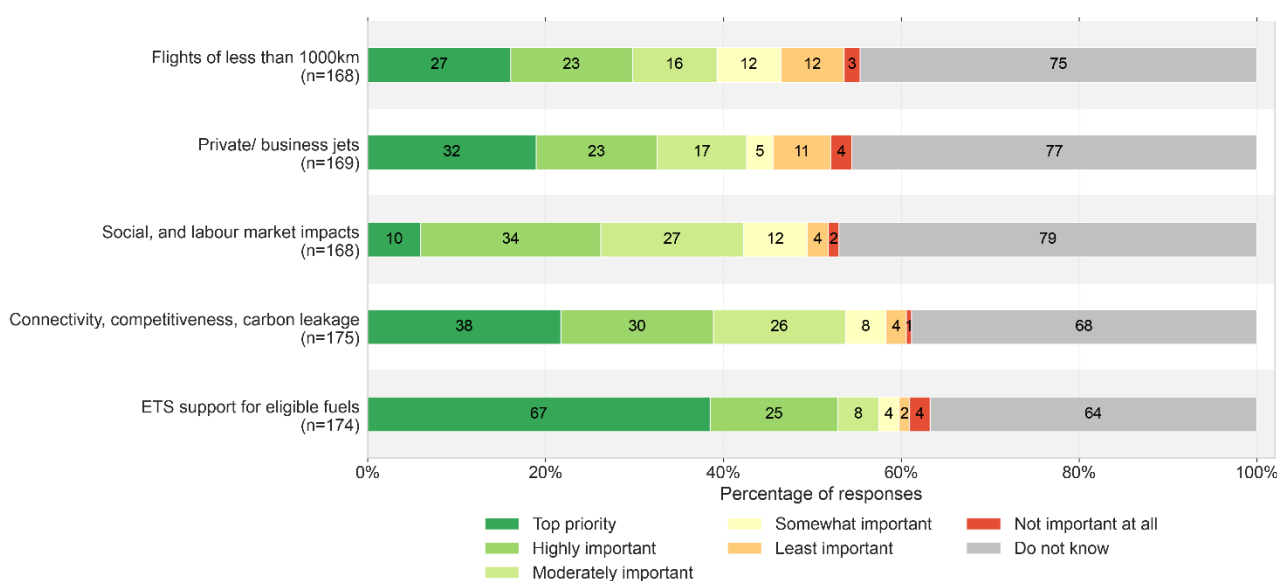
## 3.2 IMPACT ASSESSMENT

### 3.2.1 Aviation

Out of 183 respondents, half consider the aviation sector's current level of climate action either as not sufficient at all (48 respondents; 26%) or somewhat sufficient but unlikely to meet climate targets (45; 25%). 16 (9%) consider the level of action as sufficient and 1 as more than sufficient. 73 (40%) are uncertain.

More than a third (71 out of 191, 37%) of respondents to the question on the adequacy of the current approach to international flights outside Europe consider that emissions from these flights are not adequately addressed. 29 (15%) agree with the current approach. Almost half (91; 48%) are uncertain.

Figure 3. Stakeholder rating of priorities on additional issues.



### 3.2.2 Maritime

In relation to the coherence of ETS Maritime with possible IMO global measures, the majority of respondents emphasised avoiding regulatory duplication, double costs, and administrative burdens between EU climate measures and IMO frameworks, with alignment and harmonisation as well as maintaining high environmental ambition while supporting low-carbon solutions such as cleaner fuels and ensuring competitiveness for EU operators repeatedly highlighted as essential. Out of 189 respondents, nearly one third express moderate (31; 16%) or strong (26; 14%) support for extending the ETS Maritime provisions to cover smaller ships<sup>6</sup>. A smaller share moderately (23; 12%) or strongly (19; 10%) disagree. Nearly half is neutral (30; 16%) or uncertain (60; 32%).

When asked about the effectiveness of current measures to prevent evasion of ETS Maritime requirements 108 out of 184 (59%) are uncertain. The remaining responses are roughly equally divided between moderate or strong agreement (29, 16%), moderate or strong disagreement (24; 13%) and neutral views (23; 13%).

When asked whether ETS maritime rules effectively reflect the challenges faced by islands and remote territories, 35 out of 179 (20%) respondents disagree moderately or strongly and 15 (8%) agree moderately or strongly. 19 (11%) are neutral, 110 (61%) are uncertain.

Most respondents selected “Do not know” (90 out of 186, 48%) or were neutral (19, 10%) regarding whether administrative costs linked to the ETS maritime extension are proportionate and reasonable. A quarter of

<sup>6</sup> Below 5 000 gross tonnage but not below 400 gross tonnage, including offshore ships.

respondents strongly (36; 19%) or rather (11; 6%) disagreed, while 16% strongly (26; 14%) or rather (4; 2%) agreed.

Almost half of respondents (87 out of 191; 46%) expressed support for further incentivising the uptake of renewable and low-carbon maritime fuels based on Well-to-Wake emissions. 24 (13%) disagree. 71 (37%) are uncertain, 9 (5%) neutral.

### 3.2.3 Stationary installations

#### Carbon leakage

Figure 4. If free allocation is continued beyond 2030 for sectors not covered by CBAM, should the provision of free allocation be based upon – up to 3 options could be selected (n. respondents=249; n. responses=437)

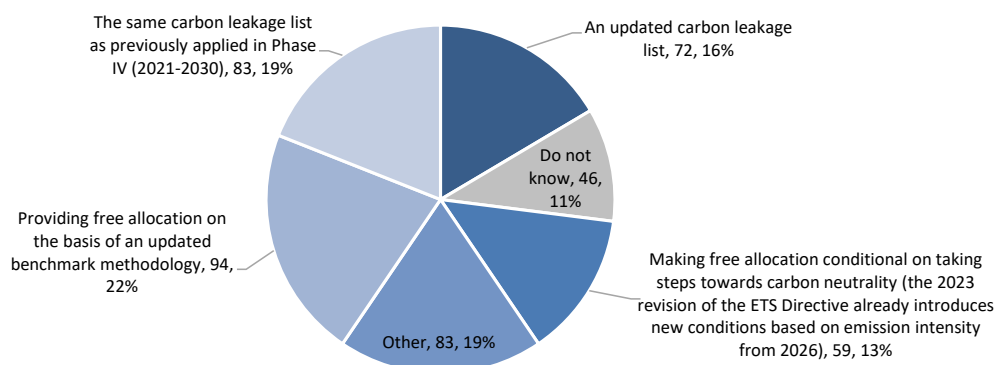
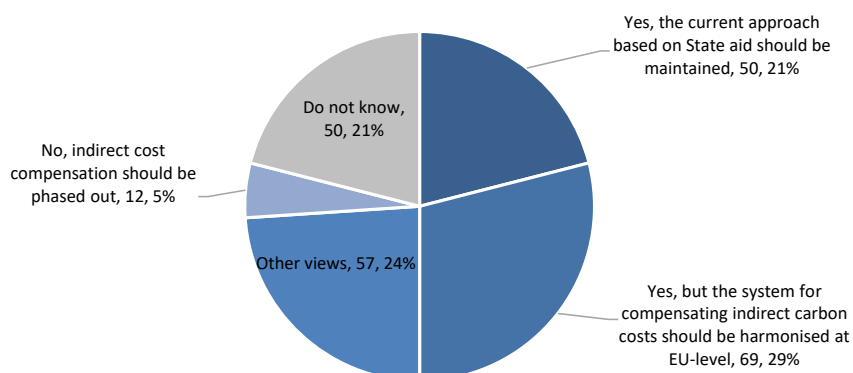


Figure 5. Do you think indirect cost compensation will remain necessary after 2030 to protect against the risk of carbon leakage resulting from carbon costs passed on in electricity prices (in sectors where indirect emissions are not covered by CBAM)? (n=238)

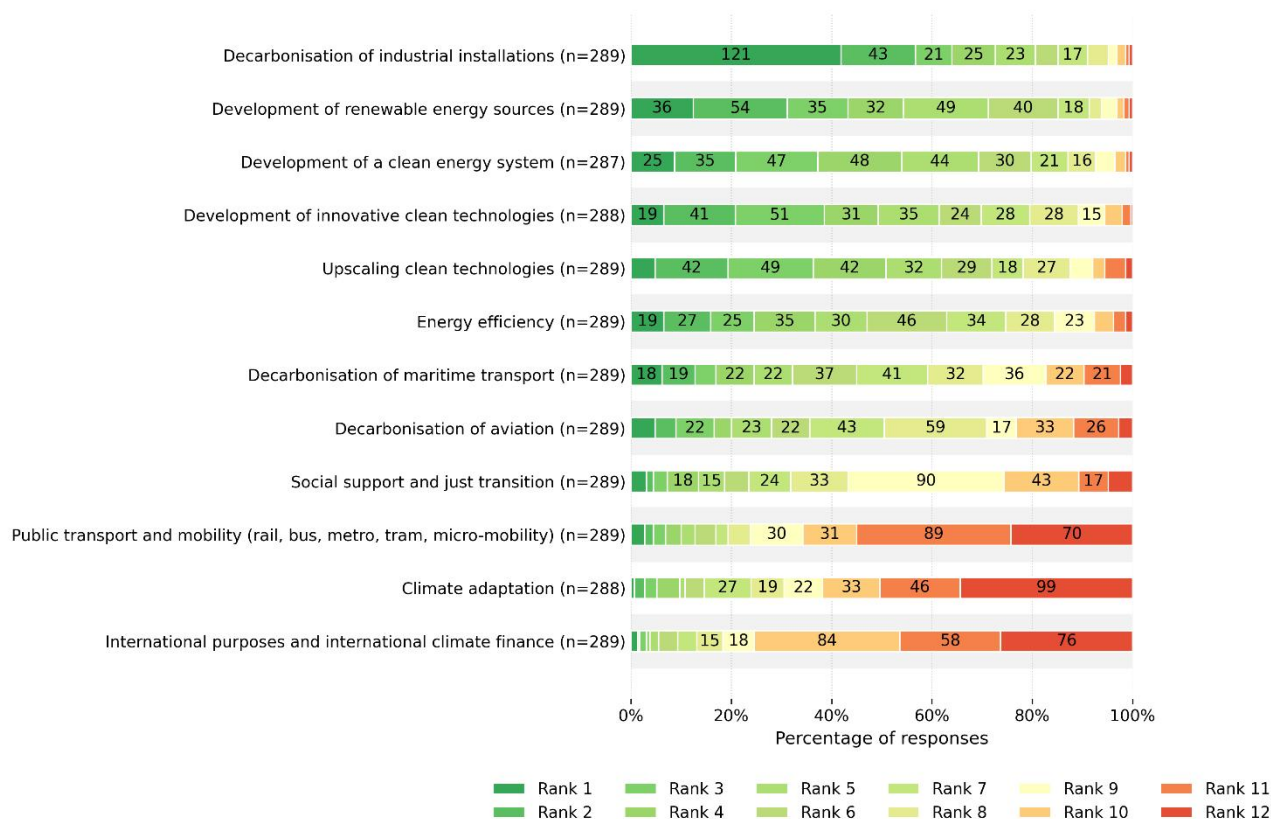


Out of the respondents selecting ‘other views’<sup>7</sup>, over 80 % agreed that indirect cost compensation will remain necessary after 2030 to protect against the risk of carbon leakage. More than three fifths of these respondents advocated for some form of harmonisation of indirect cost compensation at EU level, while slightly more than half of these respondents advocated for the extension of indirect cost compensation to more sectors and sub-sectors. There was a considerable overlap of respondents advocating for both harmonisation and an extension.

<sup>7</sup> These responses were categorised, allowing for more than one category/theme per answer.

## Revenue use

Figure 6. In your view, what should be the most important uses of ETS1 auction revenues in the future? Please select and rank your choices.



## New industrial decarbonisation support

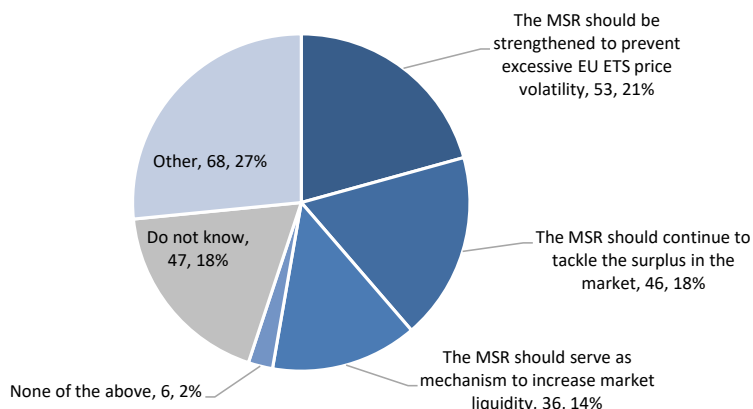
Support is very high for the creation of an Industrial Decarbonisation Bank (IDB), with 240 out of 288 (83%) respondents in favour, 10 (4%) against and 38 (13%) uncertain. In addition, 182 (68%) favour complementing EU-level funding instruments with additional national resources, such as “as-a-service” features. 14 (5%) oppose and 73 (27%) are uncertain.

Similarly, the Innovation Fund receives broad support for continuing to aid decarbonisation in sectors not covered by the new IDB, with nearly three quarters of respondents agreeing (132 out of 288 (46%) strongly agree, 79 (27%) rather agree). 8 (3%) disagree. 26 (9%) are neutral, 43 (15%) uncertain.

A majority of respondents express support for maintaining the Modernisation Fund (73 out of 272 (27%) strongly, 65 (24%) moderately). 20 (7%) disagree. 35 (13%) are neutral and 79 (29%) uncertain.

## Market Stability Reserve

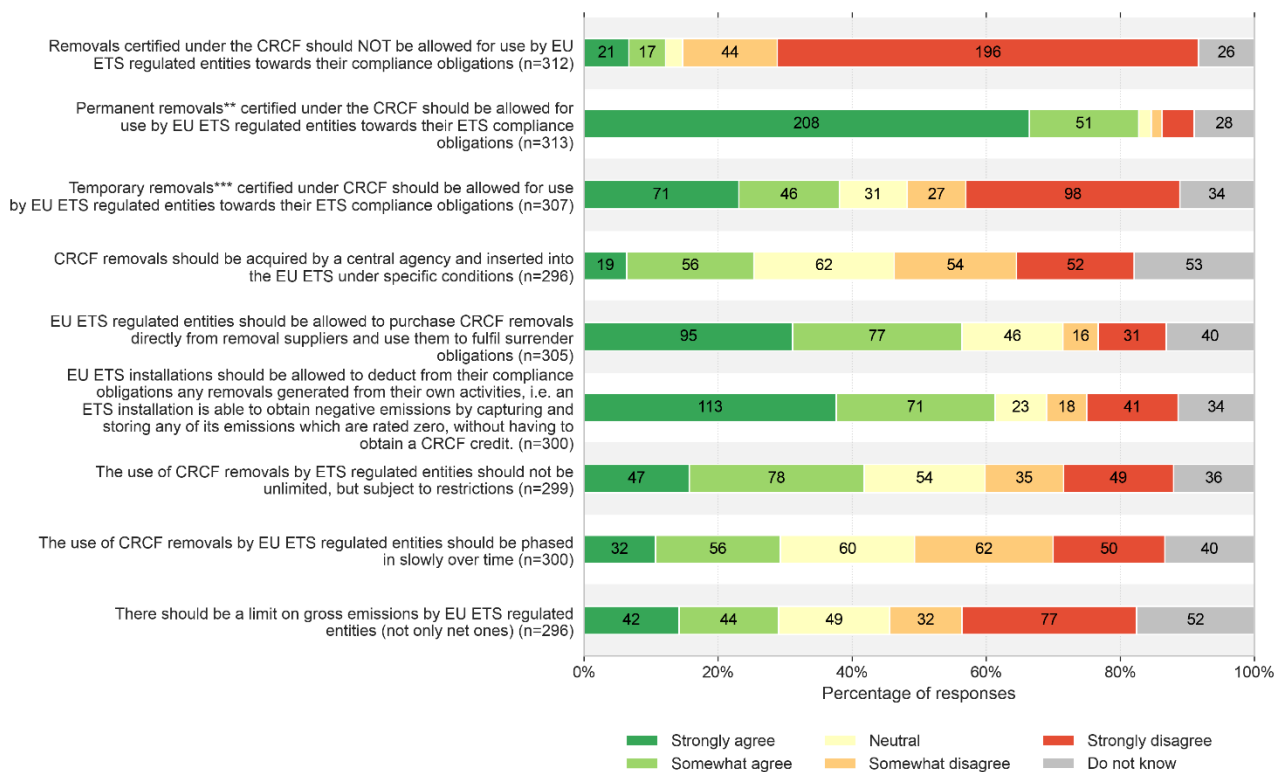
Figure 7. Going forward, what should the MSR achieve to ensure the proper functioning of the EU ETS? (n=256)



Out of the respondents selecting 'other'<sup>8</sup>, more than half also indicated that the MSR should limit excessive volatility to improve carbon price predictability and ensure sufficient liquidity.

## Carbon removals

Figure 8. With regards to the possible use of CRCF removal<sup>9</sup> by EU ETS regulated entities towards their compliance obligations, please indicate whether you agree or disagree with the following options.

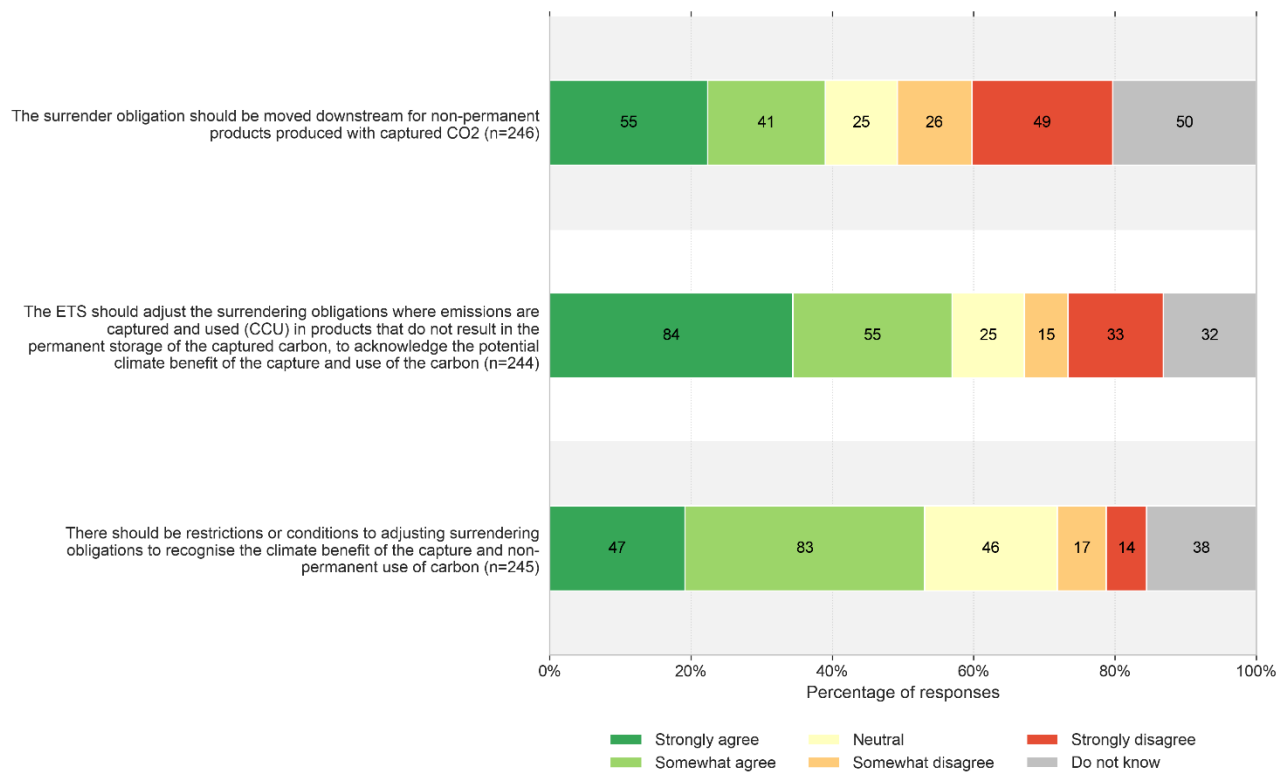


<sup>8</sup> 67 respondents further specified their answer. These responses were categorised, allowing for more than one category/theme per answer.

<sup>9</sup> The CRCF certifies the following activities which are defined as one or more practices or processes carried out by an operator, or a group of operators, resulting in (i) a permanent carbon removal, (ii) a temporary carbon removal through carbon farming or through carbon storage in products, (iii) or soil emission reductions through carbon farming where such carbon farming, overall, reduces the emissions of

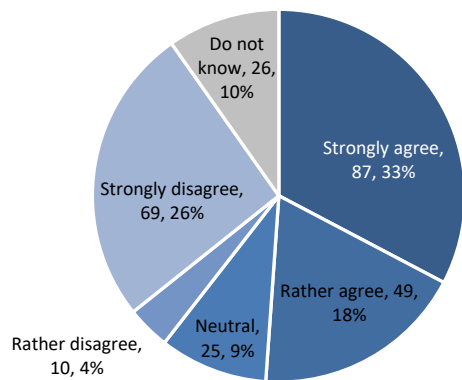
### Non-permanent Carbon Capture and Usage

Figure 9. Please indicate to what extent you agree with the following statements.



### Municipal Waste Incineration

Figure 10. Do you agree that MWI installations should be fully included in the EU ETS if possible? (n=266)

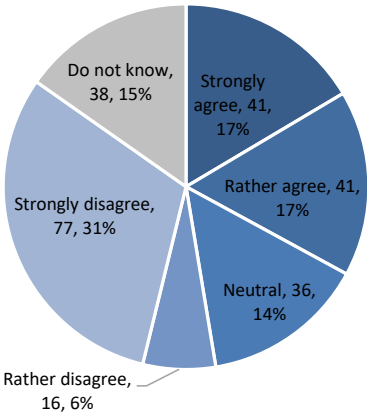


carbon from soil carbon pools or increases carbon removals in biogenic carbon pools. \*\* The CRCF defines ‘permanent carbon removal’ as any practice or process that, under normal circumstances and using appropriate management practices, captures and stores atmospheric or biogenic carbon for several centuries, including permanently chemically bound carbon in products, and which is not combined with enhanced hydrocarbon recovery. \*\*\* The CRCF certifies the activity resulting in temporary carbon removal through carbon farming or through carbon storage in products. These are defined as follows: ‘carbon farming’ means any practice or process carried out over an activity period of at least five years, related to the management of a terrestrial or coastal environment and resulting in the capture and temporary storage of atmospheric or biogenic carbon in biogenic carbon pools, or in the reduction of soil emissions; ‘carbon storage in products’ means any practice or process that captures and stores atmospheric or biogenic carbon for at least 35 years in long-lasting products, allows on-site monitoring of the carbon stored and is certified throughout the monitoring period.



In addition to these respondents, 15 respondents were identified as a campaign and also indicated strong disagreement with MWI inclusion<sup>10[OBJ]</sup>.

Figure 11. Do you agree that installations for the incineration of hazardous waste should also be included in the EU ETS (together with MWI installations)? (n=249)



In addition to these respondents, 15 respondents were identified as a campaign and also indicated strong disagreement with inclusion of hazardous waste<sup>11[OBJ]</sup>.

**20 MW threshold**

Out of 245 respondents, a relative majority disagree strongly (75; 31%) or somewhat (33; 13%) with lowering the threshold of installation capacity, compared to agreeing somewhat (66; 27%) or strongly (29; 12%). The rest are neutral or uncertain. In addition to these respondents, 15 respondents were identified as a campaign and also indicated strong disagreement with lowering the threshold of installation capacity<sup>12[OBJ]</sup>.

**Linking with other carbon markets**

Most respondents (221 out of 265; 83%<sup>13</sup>) indicated that the EU should pursue further linking opportunities between the EU ETS and other emissions trading systems, for various motivations. A small share indicated that no further linking should be pursued (11 responses; 4%) or is uncertain (34 responses; 13%)

<sup>10</sup> See footnote 1.  
<sup>11</sup> See footnote 1.  
<sup>12</sup> See footnote 1.  
<sup>13</sup> Multiple answers could be selected for this question by respondents. One respondent selected both "Do not know" and "EU ETS should be linked".