

Revision of the Market Stability Reserve for the EU Emissions Trading System

2021/0202(COD) - 25/04/2023 - Final act

PURPOSE: to amend Decision (EU) 2015/1814 as regards the number of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading system until 2030.

LEGISLATIVE ACT: Decision (EU) 2023/852 of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards the number of allowances to be placed in the market stability reserve for the Union greenhouse gas emission trading system until 2030.

CONTENT: the Decision on the market stability reserve has been revised in the **‘Fit for 55’ package** that aims to enable the EU to reduce its net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels and to achieve climate neutrality in 2050.

The market stability reserve aims to address the surplus of emission allowances that has built up in the EU emission trading system (EU ETS) since 2009 and to improve the system's resilience to major shocks by adjusting the supply of allowances to be auctioned.

A robust and forward-looking reserve is essential to ensure the integrity of the EU ETS and to effectively steer the EU ETS so that it can contribute, as a policy tool, to achieving the Union's climate-neutrality objective by 2050 at the latest and to the aim of achieving negative emissions thereafter.

This Decision provides for the **continuation of the current parameters of the market stability reserve** (24% intake rate and minimum amount to be placed in the reserve of 200 million allowances) beyond 2023 and until the end of phase IV of the EU Emissions Trading Scheme (EU ETS) on 31 December 2030, in order to ensure market predictability.

In addition, further changes to the market stability reserve will be made in the next revision of the EU ETS.

ENTRY INTO FORCE: 15.5.2023.