# How Europe's carbon market can boost clean investment

Design options for the 2026 EU ETS review

Agora Energiewende

## POLICY BRIEF

1 **Europe's industry is entering a decisive phase of transformation amidst changing economic conditions, geopolitical tensions and the need to align with the EU's 2040 climate target.** The EU Emissions Trading System needs to evolve in step with the changing environment. The upcoming reform is thus a critical chance to strengthen its cost-effective decarbonisation role – sending clear price signals to unlock investment and drive import independence, while cutting emissions.

2 **Maintaining the current emission reduction trajectory – the 'linear reduction factor' – until 2035 is crucial to create stability and investment certainty.** As the cap declines, the Market Stability Reserve will be increasingly important in ensuring a steady supply of allowances to a shrinking market and needs to remain a rule-based system with quantitative parameters. These two elements are essential to safeguard existing and future investments in clean technologies, and will avoid locking in conventional, high-emission processes.

3 **In those instances where free allocation continues, it should become conditional on investment in decarbonising production in Europe.** The approach primarily targets those parts of industry that are not covered by the Carbon Adjustment Mechanism and to compensate exports from sectors covered by it. This way, the EU ETS can reward and incentivise investments that are aligned with climate-neutrality pathways, helping companies to modernise their assets, reduce the risk of carbon leakage and secure local jobs.

4 **Europe needs a strong industrial strategy with the ETS and CBAM at its core.** Together with demand-side instruments like lead markets and public procurement, sufficient financial resources, strategic infrastructure investment and trade safeguards, carbon pricing can fulfil its role as the EU's central climate policy. Together, these measures will drive investment into clean production, which will help safeguard European industry's position on the global market.

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**Policy brief**
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**Written by**
Agora Energiewende
Anna-Louisa-Karsch-Straße 2
10178 Berlin | Germany
P +49 (0)30 700 14 35-000
www.agora-energiewende.org
info@agora-energiewende.de

**In cooperation with**
The Climate Desk TCD Consulting GmbH
Gallusstr. 45 | A-6900 Bregenz
P +43 664 1477 835
www.theclimatedesk.eu
mail@theclimatedesk.eu

**Project lead**
Benjamin Görlach
Benjamin.goerlach@agora-energiewende.de

**Authors**
Benjamin Görlach (Agora Energiewende)
Julian Parodi (Agora Energiewende)
Andreas Wehrl (The Climate Desk)
Lorenzo Montrone (The Climate Desk)



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# 1 The 2026 review of the EU Emissions Trading System: What is at stake?

Since its introduction in 2005, the EU ETS has become the main decarbonisation instrument, reducing emissions cost-effectively through a market-based mechanism. Over its 20 years of operation, emissions from sectors covered by the EU ETS have fallen by around 50 percent – meaning the system has already achieved half of the emissions reductions needed on the path to climate neutrality. The pace of emissions reductions has almost doubled: The EU ETS required 13 years to reduce emissions by one quarter, while only seven years to achieve the second quarter. Since 2018, on average, ETS emissions have fallen by more than four percent of base year emissions – exceeding the annual reduction implied by cap. Power generation delivered most of these reductions, while industry has contributed more strongly in recent years. Yet, part of the recent decline in industrial emissions reflects falling output and capacities being shut down rather than improved efficiency.

Regular reviews have been a defining feature of the EU ETS; they allow policymakers to add new elements and alter existing ones which are deemed no longer fit for purpose. The 2026 EU ETS review is therefore significant: its outcome will shape Europe's economic and climate trajectory over the next decade. The continued transition to a fossil-free power sector and key industrial climate-neutral technologies require substantial investment – and this, in turn, depends on a reliable carbon price signal.

The EU ETS faces growing political pressure. Some industrial stakeholders have called for significant changes to the system and questioned its role in Europe's industrial transition. While a complete dismantling of the EU ETS is unlikely, a series of seemingly limited design changes could substantially weaken its effectiveness. Resulting oversupply, eroding confidence and a depressed EUA price all threaten to undermine investment certainty at a critical moment when many companies across Europe have started to invest in decarbonisation measures. A substantially weakened ETS would therefore neither help frontrunners, who need a reliable and sufficiently high carbon price for their investment cases, nornor those who struggle who struggle even when carbon prices are low. The review must therefore preserve the integrity of the EU ETS and develop it into a long-term investment framework that helps industry to decarbonise and remain competitive.

Above all, the 2026 EU ETS review must align the instrument with the revised EU climate law and its 2040 target. Key issues include the future trajectory of the cap, the role of international credits, and calls to delay the phase-out of free allocation. Beyond this, other aspects include reforms to the Market Stability Reserve, the integration of permanent carbon dioxide removals, the possible inclusion of waste incineration and the use of ETS revenues. This brief looks at three of these core issues: the future trajectory of the cap, the revision and future role of the Market Stability Reserve, and options to make remaining free allocation conditional on decarbonisation investments.

The 2026 ETS review takes place against a backdrop of heightened economic and geopolitical uncertainty. Europe's economic slowdown has many root causes – namely rising energy import costs energy, a hostile global trade environment, increased competition and contested technological leadership. The ETS review needs to respond to these pressures by showing that climate neutrality, competitiveness and resilience can reinforce each other. The ETS is key for achieving all three objectives at the same time – and decarbonisation investments in Europe are the way to get there.

# 2 How should the ETS cap evolve to 2040 and beyond?

## 2.1 The ETS cap needs to be recalibrated to the 2040 target

The ETS cap is currently calibrated to the 2030 target. It declines annually by 4.3 percent of base year emissions, increasing to 4.4 percent as of 2028, or just below 90 Mt per year. If left unchanged, issuance of new allowances would rapidly approach zero after 2039 – with only small amounts of aviation allowances still entering the market after 2039. The current cap reduction pathway was derived from the impact assessment for the EU's 2030 target, which established that EU ETS emissions should be 62 percent below ETS base year emissions in 2030 – as the cost-effective way of sharing the EU's 2030 target (55 percent below 1990 emissions).

The 2040 target had not yet been specified when the current LRF was defined. Since the revised EU climate law now enshrines the 2040 target (90 percent reduction below 1990 emissions, of which at least 85 percent achieved domestically), the ETS review needs to recalibrate the cap with this target. A key question is how to distribute the overall mitigation effort between the emitters covered by the ETS, and the rest of the wider economy. Historically, ETS emitters have carried a higher reduction burden, as there are more numerous, cheaper and more easily mobilised abatement options in the ETS. Going forward, as abatement options get fewer and more expensive, new flexibilities may play a role in the ETS:

- → The EU climate law states that permanent domestic removals should play a role in the EU ETS to compensate for residual hard-to-abate emissions. For such negative emissions, no limit on either quantity or time has been set. Beyond offsetting residual emissions, removals will also be needed to achieve net-negative emissions after 2050, formulated as an aspirational goal in the EU climate law.
- → Whether international credits should play a role in the EU ETS remains contested. Direct use by ETS installations for compliance, as practiced under the Kyoto Protocol's Clean Development Mechanism, is unlikely. However, limited quantities of international credits could indirectly increase ETS supply, for instance if such credits are centrally procured and converted into additional allowances, which are subsequently released into the ETS.[1] According to the EU climate law, international credits may contribute to the EU's climate target only after 2035. They would need to end by 2050, at which point the EU has committed to reach net-zero emissions domestically. The quantity of international credits is capped at 5 percent of 1990 emissions (about 237 Mt $CO_2$) in 2040. The permitted volumes before and after 2040 remain undefined.

## 2.2 Options for adjusting the ETS cap

The question is not whether the LRF is adjusted, but rather

- → How soon the change takes effect. Effectively, the most realistic options are either 2031 or 2036, corresponding to the start of new allocation periods. In 2030, the cap will have reached 850 Mt. In 2035, if the current LRF remains, it will be just below 400 Mt. Lowering the LRF before 2030 (during the current trading period) substantially interferes with the established carbon market in which EU allowances are traded several years

1 Agora Energiewende, *Getting 2040 right: managing flexibilities to safeguard Europe's climate ambition.* Ibid.

ahead on forward markets. Policy credibility would also suffer if the EU changed the rules during the ongoing trading period. Conversely, if the LRF was adjusted after 2036, the ETS cap would continue to fall by 90 Mt annually and thus be closer to zero by the time the LRF takes effect.

→ Which 2040 reduction target the cap should be calibrated towards, and at what point does the cap trajectory reach (net) zero. The impact assessment is expected to suggest a cost-effective distribution of mitigation efforts between the EU ETS and emitters outside of it. Current proposals suggest that the EU ETS could reach net-zero emissions sometime between 2042 and 2050. In the latter case, the ETS would attain net zero emissions in conjunction with the EU as a whole: this runs counter to the assumption that some of the hardest-to-abate emissions comprise agriculture, forestry and land use, and that ETS emissions should therefore decline at a faster rate than overall EU emissions.

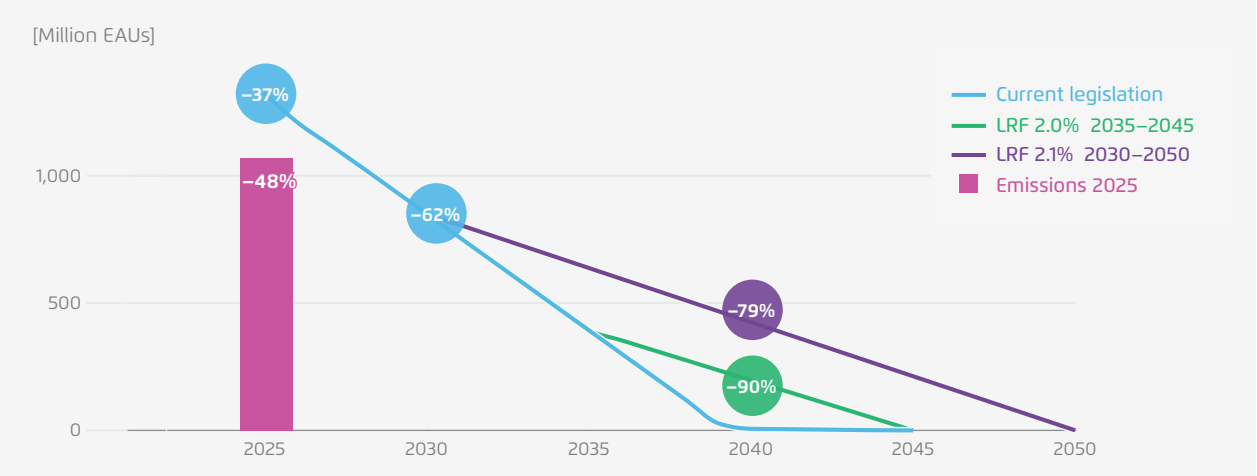
→ What (indirect) contribution for international credits should be assumed – whether the cap is calibrated at an EU-wide reduction of 85 percent or 90 percent. In the former case, the ETS is aligned with the domestic reduction goal. This implies that international credits could not be used, directly or indirectly, in the ETS, as this would amount to a domestic reduction of less than 85 percent. By contrast, if the ETS cap is aligned at 90 percent, a limited (direct or indirect) contribution of international credits could be envisaged.

The guiding principle for distributing the reductions between the EU ETS and the remaining emitters should be premised on cost-effectiveness. In the EU ETS, further substantial emission reductions are already locked in with the continued decline of fossil power generation. For industry, the situation is more challenging and diverse. Nonetheless, if the full array of decarbonisation options can be mobilised, including the electrification of process heat, steelmaking using direct reduction, and carbon capture and storage (CCS) for process emissions, the potential remains for significant near-term emission reductions. The Impact Assessment for the 2040 climate target assumed that industrial emissions (energy and process emissions) in 2040 could range from 89 Mt (Scenario S3) to 265 Mt (S1).[2] Recent Agora Industry modelling for steel, organic chemicals and cement show that emissions of these three largest-emitting sectors can be reduced to 68 Mt in 2040 by investing in fossil-free production methods. This has the added benefit of shielding the EU's energy-intensive industries

2 European Commission, *Commission Staff Working Document Impact Assessment Report. Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society,* Strasbourg 2024. Ibid.

## Possible trajectories for the EU ETS cap, 2025–2050

→ Fig. 1




Agora Energiewende and Industry (2026). All percentages relative to ETS base year emissions.

from fossil price volatility, which can saves the EU tens of billions of Euro during a fossil price shock of the magnitude observed in 2026.[3] Failing to mobilise these potentials as well as affording more time to ETS emitters would require additional action to be undertaken in other sectors such as agriculture, forestry and land use or buildings and transport – which come with their own economic and political challenges.

To give a clear signal to ETS-covered entities, and to mobilise existing abatement potentials, while not undermining existing decarbonisation investments, the ETS cap should remain at the current trajectory (LRF 4.4 percent) until 2035. As of 2036, the LRF should then be lowered to 2.0 percent, so that ETS emissions in 2040 are 90 percent below ETS base year (2005) emissions and reach net zero in 2045.

The current pathway, assuming the LRF remains unchanged at 4.4 percent, would see 7.5 Gt of allowances still coming on to the market in 2027–2045, 98 percent of which would be before 2040. Adjusting the LRF to 2.0 percent as of 2036, to ensure that no allowances are issued as of 2045, results in 1.1 Gt additional emissions, or a 14.6 percent increase of the cumulative cap issuance over 2027–2045. By contrast, a more lenient adjustment that would take effect as of 2031, to stop issuing new allowances in 2050, would entail 4.5 Gt of additional emissions compared to current regulation (+60 percent of cumulative issuance), which would need to be reduced elsewhere.

## 2.3 There are more allowances available to the ETS than just the cap

A pathway that keeps the LRF at 4.4 percent until 2035, and thereafter at 2.0 percent, means that the ETS cap would decline to 200 Mt in 2040. However, the supply of allowances involves more than simply the ETS cap: altogether around 430 Mt would be made available on the market, since several alternative sources contribute to the supply of allowances available on the market. As the cap declines, these other sources become relatively more important.

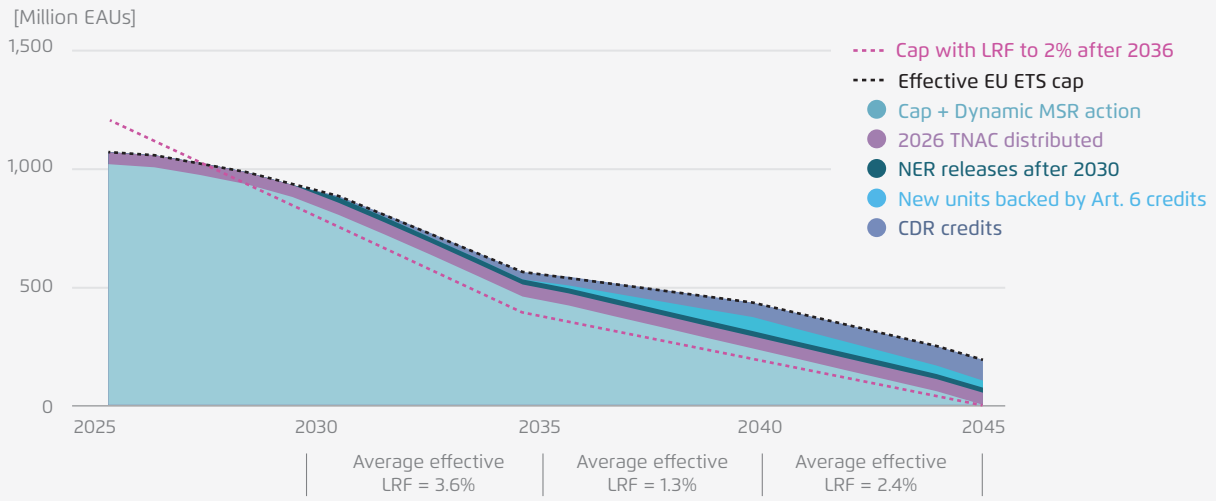
- → If the Market Stability Reserve (MSR) releases allowances dynamically, it can supply allowances well into the 2040s. In Figure 2, the MSR release peaks at 67 Mt in 2037, and then continues at a reduced pace.
- → The current TNAC stands at just above 1 Gt. These allowances are in the market and owned by various actors – banked for future use, to hedge against price increase, or to profit from them. Either way, these allowances will eventually be used.
- → Over the years, a substantial supply of allowances has accumulated in the New Entrants Reserve (NER). If this is used to support conditional free allocation, and to delay the application of the cross-sectoral correction factor (CSCF) to installations benefiting from it, these amounts would be returned to the market after 2030 and well into the 2040s.
- → In the 2030s, carbon dioxide removal (CDR) will increasingly play a role. The 2024 Impact Assessment for the 2040 target estimates the contribution of industrial removals (BioCCS and DACCS) at 4–75 Mt in 2040 in the different scenarios, rising to 40–121 Mt in 2050.[4]
- → International credits remain contested and should have priority for offsetting non-ETS emissions. Figure 2 assumes that 25 percent of the foreseen amount indirectly adds to the allowance supply in the EU ETS. This would add a further 59 Mt at the peak in 2040.

3 Agora Industry, Wuppertal Institut für Klima, Umwelt, Energie gGmbH, and Universität Kassel, *A strategic path for EU industry. Securing resilience of steel, chemicals and cement with renewable domestic resources.*, Berlin: Agora Industry 2026. Ibid.

4 As an average of the scenarios 2 and 3, Figure 2 assumes a contribution of negative emissions starting at 0 in 2030 and rising to 62 Mt in 2040, then further to reach 114 Mt in 2050.

## Effective allowance supply to the EU ETS, 2025–2045

→ Fig. 2




Agora Energiewende and Industry (2026) based on TNAC communications 2016–2024 and Emissary model V5.1, The Climate Desk

Clearly, many uncertainties remain, and several assumptions need to be made, but the example above shows that in 2040 new allowances from the ETS cap could represent less than half of the supply of allowances available to the market. In sum, other sources will ensure a residual supply lasting well beyond 2045. Factoring in the different reserves, buffers and flexibilities also means that the effective LRF would be substantially lower than the nominal LRF – at 3.6 percent in 2031–2035, 1.3 percent in 2036–2040, and at 2.4 percent in 2041–2045.

### Key takeaways for the adjustment of the ETS cap

**Maintaining the current cap trajectory until 2035 ensures stable conditions for current and future climate-neutral investments, preventing a lock-in of conventional processes – while later alignment with the 2040 target may require a lower LRF. For the implementation, the following considerations are important:**

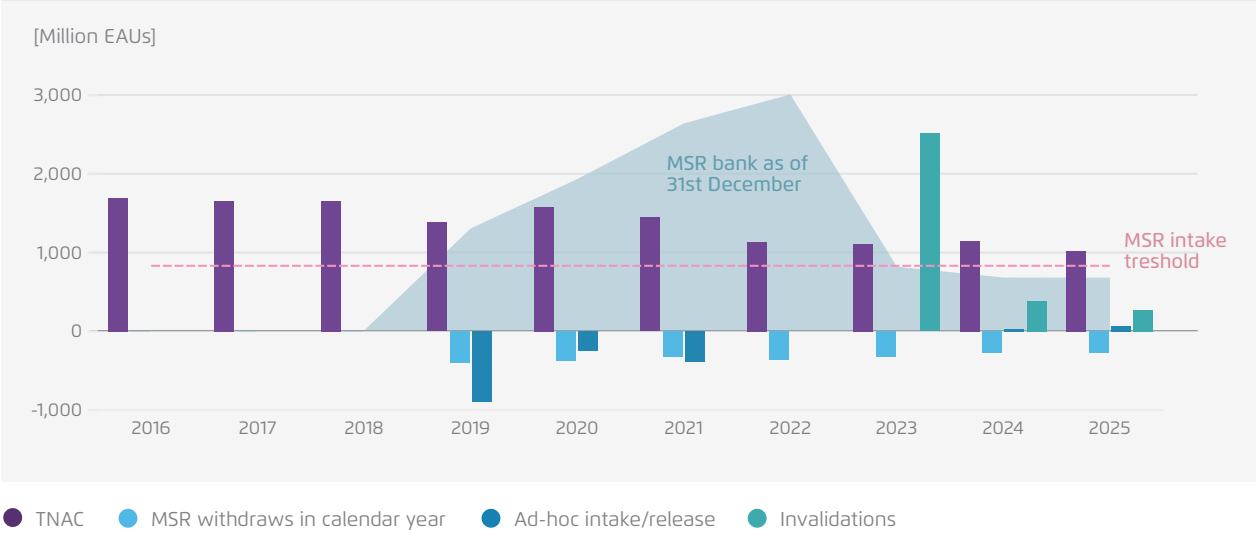
- Maintaining the LRF at 4.4 percent until 2035 provides a clear and stable signal to ETS operators and investors.
- As of 2036, relaxing the LRF to align with the 2040 climate target. Weighing the expected abatement potentials against the need to limit cumulative emissions, lowering the LRF to 2.0 percent appears feasible. This would entail that the ETS cap is 90 percent below base-year emissions in 2040, and that no new allowances are issued after 2045.
- To integrate flexibilities in a balanced and predictable way, establishing a central procurement mechanism for permanent CDR credits may be envisaged, accumulating credits in a dedicated reserve and releasing them into the ETS via the MSR.
- Central procurement is also an option for high-quality Art 6 credits, accumulating them in a dedicated reserve, and prioritising them for non-ETS emissions. Residual amounts can then be released into the ETS via the MSR.

# 3 Which reforms can make the MSR fit for post-2030?

## 3.1 The MSR has been critical for the functioning of the EU ETS, and still has an important role to play

The Market Stability Reserve was introduced in 2018 to address the large surplus of allowances that had accumulated during the 2010s. This oversupply depressed carbon prices and weakened the system's ability to drive emissions reductions and low-carbon investments. As a rule-based instrument, the MSR is linked to the Total Number of Allowances in Circulation (TNAC). If there are too many allowances on the market, the MSR withholds a share of the amounts foreseen for auction (currently 24 percent). These allowances are instead transferred to the MSR and are released when supply gets tight. In this way, the MSR has played a decisive role in restoring scarcity to the carbon market and ensuring a meaningful carbon price signal capable of driving investment and innovation.

Operation of the market stability reserve since its introduction, 2018–2025 → Fig. 3




Agora Energiewende and Industry (2026) based on TNAC communications 2016–2024 and Emissary model V5.1, The Climate Desk

This was achieved through a particularly important feature of the MSR, the invalidation mechanism: if more than 400 million allowances accumulated in the MSR, the excess is permanently invalidated. This rule has ensured that structural oversupply was removed from the market. In 2026, the Commission proposed to suspend this mechanism. If implemented, the volume of allowances held in the reserve could grow to more than 900 million allowances, more than double its current size. However, the effects of such a change would emerge only gradually and would become most visible during the late 2030s, when these additional allowances reach the market.

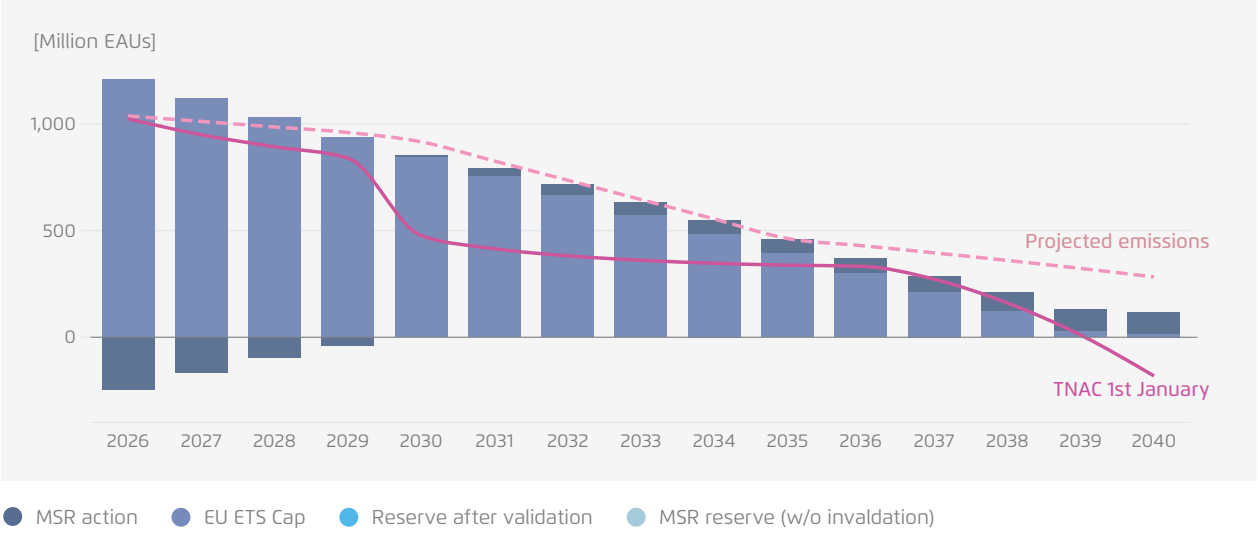
The core function of the MSR is to manage allowance scarcity and ensure a residual supply of allowances. Going forward, this function will become even more important as there are fewer allowances coming to the market. The MSR could also assume a broader role in the future architecture of the EU ETS. In particular, it could serve

as a gateway for credits entering the ETS. This includes credits for permanent emission removals and (potentially) additional units backed by international credits, if these credits are not needed to offset residual emissions in the non-ETS sectors. Both permanent removal credits and international credits should be held in a separate reserve to frontload demand and scale the market. In the 2040s, credits from this reserve can then be used to replenish the MSR as it nears depletion.[5]

## 3.2 The MSR needs an update to reflect changing market realities – but too many simultaneous changes can overload the system

The MSR is expected to remain in intake mode until 2029, continuing to absorb surplus allowances from the market (see Figure 4). It will then move into a neutral mode for some time[6] and begin to release allowances if TNAC falls below 400 m EUAs. At the same time, the supply of allowance will continue to shrink, and the structure of the market will evolve. With the continued phase-out of fossil power generation and expansion of renewables, utilities – once the main source of demand, with sophisticated trading strategies – lose in importance. Instead, industry, aviation and maritime account for a larger share of demand and trading activity.

Expected operation of the MSR, 2026–2040 → Fig. 4




Agora Energiewende and Industry (2026) based on TNAC communications 2016–2024 and Emissary model V5.1, The Climate Desk

There are several ways as to how the operation of the MSR could be improved to reflect changing market realities:

→ **Linking parameters to the ETS cap:** the operation of the MSR is currently governed by static thresholds. They were initially calibrated at the assumed hedging demand from utilities, which will decline. Continuing with current thresholds risks releasing amounts when the market is not experiencing scarcity. Moving forward, to reflect the changing market reality, thresholds could follow the same trajectory as the ETS cap (i.e. be

5 Agora Energiewende, *Getting 2040 right: managing flexibilities to safeguard Europe's climate ambition*, op. cit. Ibid.
6 The figure also assumes a redefinition of TNAC effective as of 2030, which explains the considerable drop of TNAC and leads to a situation where the MSR only remains in neutral mode for one year.

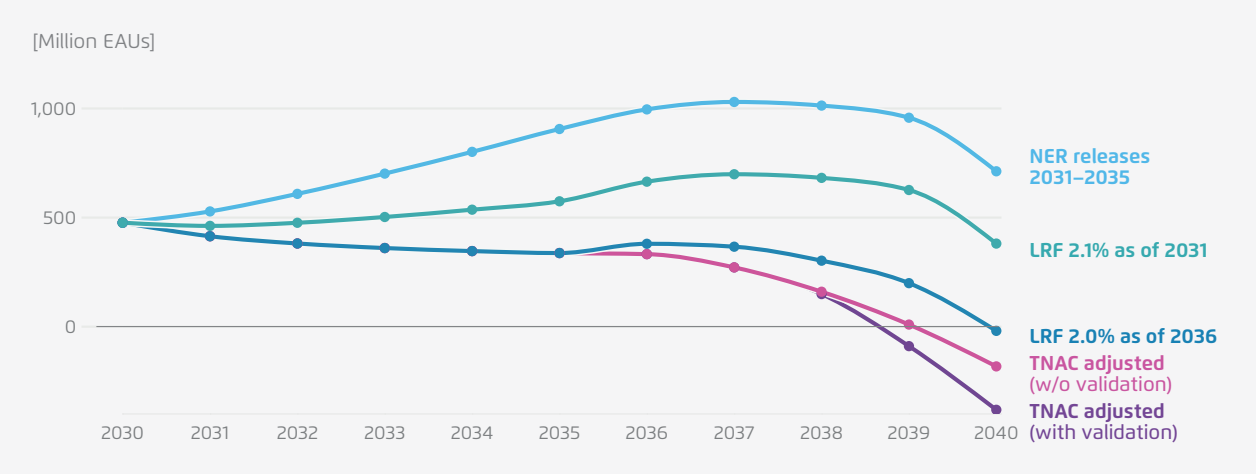
subject to the Linear Reduction Factor). Consequently, the MSR would change from neutral mode to a release mode 2–3 years later than under current rules and would have more capacity left to address scarcity when it occurs.

- → **Dynamic release of allowances:** under current rules, if TNAC falls below 400 million, the MSR releases a fixed quantity of 100 million EUA every year until the MSR is empty. This quantity was designed for a much larger market. Releasing this volume annually means that the MSR is exhausted sooner, and risks adding more allowances than needed. A dynamic function would adjust this amount depending on the scarcity in the market – and could thus spread out releases over a longer time.
- → **Redefining TNAC:** the TNAC definition should reflect the number of allowances available on the market. Two adjustments are currently missing. First, the historical net demand from aviation prior to 2024 has not been incorporated. Second, EU Member States can use 100 million EU ETS allowances to meet their targets under the Effort Sharing Regulation; this amount is not reflected either. Both result in TNAC overstating the surplus that is actually available to the market. Correcting the TNAC definition as of 2030 would better reflect real market conditions and bring forward the point when the MSR releases allowances.

Such adjustments to the MSR and its functioning would retain its rule-based nature, which shields the instrument from political interference and ensures its legal and administrative feasibility. By contrast, more fundamental reforms of the MSR – such as a switch to price-based triggers, or more frequent / ad-hoc releases to contain price volatility – pose significant risk. A price-based system could be regarded as a fiscal measure, so that future ETS decisions would require unanimity. To contain price volatility, there are other and more suitable instruments, first and foremost, the price containment mechanism mandated in Article 29(a) of the EU ETS Directive. While this mechanism also draws on the pool of allowances held in the Market Stability Reserve, it is a separate, distinct mechanism from the MSR proper, activated by different parameters.

Ending the invalidation of allowances only impacts the system after 2039. But together with other changes, it could undermine the functioning of the EU carbon market. In conjunction with a loosening of the thresholds and release amounts, adding allowances from other reserves into the MSR, and selling unused surplus amounts could result in a substantial and lasting surplus. This risk is even greater if the ETS cap pathway (LRF) is relaxed at the same time, as visible in Figure 5 below.

## Scenarios for the Total Number of Allowances in Circulation (TNAC), 2030–2040 → Fig. 5




Agora Energiewende and Industry (2026) based on TNAC communications 2016–2024

While a modest relaxation in 2036 would have limited effect, lowering the LRF already in 2031 would lead to a situation where TNAC increases in absolute terms for much of the 2030s in conjunction with a contracting market and falling emissions – i.e. the accumulation of a structural surplus. This is exacerbated if excess quantities from the NER should be sold into the market, e.g. to raise additional revenue. In this case, TNAC could be in a similar range as it is today – but would apply to a carbon market that is at most a third of its current size. This would either lead to an increase in emissions relative to the projection, using up the accumulated surplus but leading away from a pathway compatible with climate goals, or depress the carbon price for years and thereby undermine decarbonisation incentives.

## Key takeaways for the review of the Market Stability Reserve

**The MSR has been effective in restoring scarcity in the EU ETS and providing a meaningful price signal capable of driving investments into decarbonisation. The MSR will still be needed going forward – to manage scarcity, ensure a residual supply of allowances, and serve as a gateway for credits. But while the rule-based nature of the MSR must be preserved, the rules governing its operation need an update to adjust to changing realities. To bring this about, the following considerations are relevant:**

- Linking the MSR thresholds to the declining cap trajectory post-2030 can ensure the MSR remains effective as the market tightens, and able to release allowances over a longer time.
- Determining release volumes in a dynamic way allows to better reflect actual scarcity. This ensures smoother supply when needed and lasts for longer duration into the 2040s. In addition, broadening the TNAC definition helps to more clearly reflect allowances available to the market.
- At the same time, preserving the MSR's rule-based and quantity-driven design shields the system from political interference and ensures predictability for market participants.
- Concurrent changes could cumulatively result in a structurally oversupplied market, especially if the Linear Reduction Factor is relaxed at the same time. Assessing adjustments to the MSR in combination, rather than individually, can avoid oversupply and a prolonged depression of the carbon price.
- In the 2040s, the MSR can ensure a residual supply of allowances to the ETS, including as a release mechanism for saved-up credits into the ETS. This would also retain the MSR's capacity to respond to external shocks, maintaining a reliable scarcity signal despite economic fluctuations.
- Other goals, such as limiting price volatility, are better served by other dedicated mechanisms under the ETS (Art. 29a). The MSR has a different function and is not suited to deliver on these objectives.

# 4 How can free allocation reward investment into industrial decarbonisation?

## 4.1 Current EU free allocation rules do not encourage investments in Europe sufficiently

For the past two decades, industrial installations covered under the EU ETS primarily received allowances unconditionally and free of charge. Until 2018, emission reductions in the EU ETS were only achieved in the power sector, whereas industrial emissions were slightly higher in 2018 compared to 2005.[7] Since 2019, industrial emissions have fallen by more than one quarter. However, much of this reduction reflects lower output and capacity closures rather than investments in low-emission production processes.[8]

In 2025, industrial installations received 416 million allowances free of charge, representing a market value of more than 30 billion Euro. Since 2013, industry has received almost 7 billion allowances, a commercial value of over 200 billion Euro. Most of this free allocation effectively compensated European industry for cost that their competitors abroad do not face, or only to a limited extent. However, evidence suggests that some sectors benefited from over-allocation and generated substantial windfall profits.[9] And while some companies invested in climate-neutral technologies, most continued to operate existing production assets.

Recent reforms have introduced the first tentative conditions linked to free allocation. From 2026 onwards, installations among the 20 percent worst performers within their benchmark category must submit a Climate Neutrality Plan or lose 20 percent of their free allocation. Installations subject to energy audits or energy management requirements must also implement recommended energy-efficiency measures with payback periods below three years or face the same penalty. These reforms are a step in the right direction because they link support to investment decisions. However, the current conditionalities mainly encourage incremental efficiency improvements. They do not systematically support the investments required for climate-neutral industrial production.

## 4.2 European industry increasingly lags with investment and modernisation

Significant emission reductions often require first-of-a-kind -investments, with high upfront capital costs coupled with significant technological and commercial risks. Many projects involve a fundamental reconfiguration to production processes or even entire value chains. Incremental improvements can reduce emissions, but they rarely align with climate neutrality.

7 *EU Emissions Trading System (ETS) data viewer,* https://www.eea.europa.eu/en/analysis/maps-and-charts/emissions-trading-viewer-1-dashboards, 3 July 2026.

8 Antoine Dechezleprêtre, Daniel Nachtigall, and Frank Venmans, *The joint impact of the European Union emissions trading system on carbon emissions and economic performance,* in Journal of Environmental Economics and Management 118, 102758. *ETC CM report 2024/09: Trends and projections in the EU ETS in 2024,* https://www.oeko.de/en/publications/etc-cm-report-2024-09-trends-and-projections-in-the-eu-ets-in-2024/, 8 July 2026

9 Karsten Neuhoff and Robert A. Ritz, *Carbon cost pass-through in industrial sectors,* Cambridge: University of Cambridge, Energy Policy Working Group 2019.

According to the Commission's impact assessment for the 2040 target, EU industry will require 327 billion Euro over 2031–2040. Chemicals alone account for 150 billion Euro, followed by iron and steel at 80 billion Euro, and non-metallic minerals (including cement and glass) at 48 billion Euro.[10] These major investments commit operators to their European production installations and employment base, while also offering more durable protection against (investment) leakage. Yet while industry received over 200 billion Euro worth of allowances for free, industrial investments in Europe have, for the most part, been modest, lagging the modelled investment needs. Furthermore, the rate of decarbonisation investment has slowed since 2023. Almost half of all announced industrial projects remain uncompleted and less than one in three have entered construction or started to operate.

Progress with decarbonisation investments across different industry sectors → Table 1

| Sector | Progress with decarbonisation investment |
|---|---|
| Steel | 12 of 25 integrated sites actively pursuing major decarbonisation projects. This represents over half of the asset base, combined with 5 greenfield projects altogether representing at least 48 billion Euro of committed investment, including 35 billion Euro of private investment. |
| Cement | 30 of roughly 200 clinker producing plants have announced carbon capture projects. Total investment is estimated at 6 to 8 billion Euro, including approximately 2.5 to 3 billion Euro of public Innovation Fund support and 3.5 to 5.5 billion Euro of private funding. |
| Chemicals | Only one of 33 active steam crackers has announced a decarbonisation project that tackles ETS emissions. One cracker replaces fossil steam with electricity, while other projects focus on substituting fossil feedstock. One greenfield project is projected to reduce emission by 70 percent. The sector announced 13.5 billion Euro of total private investments between 2022 and 2025, only 25 percent of which was directed at emission reduction and recycling. |
| Glass | 21 demonstration projects in roughly 150 production facilities, around 14 percent of the sector. Around 600 million Euro of annual industry investment includes 65 million Euro of public funds. |
| Pulp and paper | No reliable estimate for the number of mills pursuing decarbonisation. The sector reports around five billion Euro of annual investment in GHG reduction, largely financed by industry. |
| Hydrogen | 109 projects involving 96 companies have been approved under the three hydrogen IPCEIs, 17.5 billion Euro of public support expected to mobilise 21.2 billion Euro of private investment. |

Green Steel Tracker; Petrochemicals Europe – Cracker Capacity; GMK Center – decarbonisation news; Joint Research Centre – Industrial decarbonisation in the EU: what emerging technologies need funding; European Commission – Innovation Fund projects.

## 4.3 Going forward, free allocation needs to prioritise those that commit to investing in Europe, in a way that is aligned with climate neutrality pathways

Free allocation will be reduced in the coming years, as the available allowance budget shrinks and the CBAM will gradually replace the function of carbon leakage protection for the sectors it covers. This strengthens the polluter-pays-principle, improves carbon-price incentives and increases auction revenues that can be recycled into industrial decarbonisation through instruments such as the Industrial Decarbonisation Bank and the Investment Booster. But in some instances, free allocation will remain for the foreseeable future:

10 European Commission, *Commission Staff Working Document Impact Assessment Report. Securing our future: Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society,* op. cit.

→ For sectors covered under CBAM, free allocation is scheduled to be phased out by 2034. However, CBAM currently only covers around half of all industrial emissions. While the scope of CBAM can still increase, increasing it to 100 percent appear unfeasible, given the heterogeneous nature of the goods and the complexity of the value chains in question. For products that remain outside the CBAM scope, free allocation remains the default option to contain risks of carbon leakage.

→ CBAM currently applies only to imports into the EU. A permanent solution to address the carbon leakage risks related to exports could involve limited and conditional compensation in the form of free allocation, issued to ETS operators based on verified export quantities.[11]

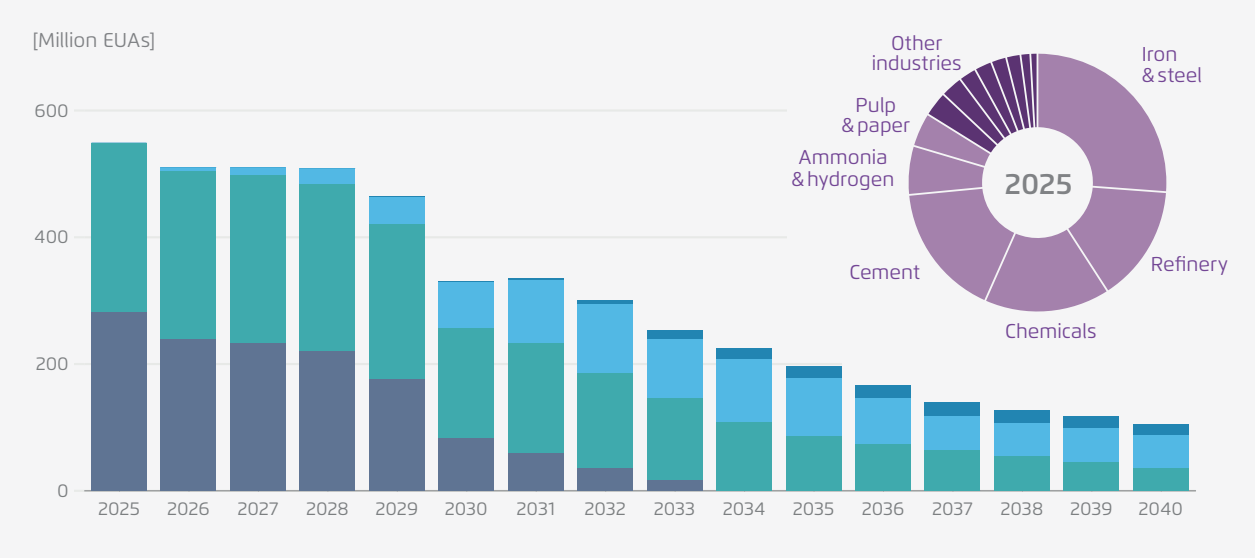
→ Recital 13 of the revised climate law, invites the Commission to investigate a "slower phase-out pathway for free allocation of allowances from 2028 onwards to support decarbonisation, investment and employment in the Union." While the outcome of this assessment remains uncertain, it could provide result in an adjustment of the CBAM factor, i.e. a slower phase-in of CBAM and slower phase-out of free allocation.

While a portion of free allocation will remain beyond 2034, the budgetary space for free allocation contracts as the ETS cap declines towards (net) zero. As Figure 6 shows, any extension of free allocation could therefore only be temporary. As free allocation becomes scarcer and more valuable, it should be prioritised for installations that commit to invest in processes deemed compatible with climate neutrality, i.e. with emission intensity substantially below current technologies. Examples of such technologies exist: steelmaking via direct reduction, capturing process emissions with CCS, or electrification of low- to mid-temperature heat across different sectors via heat pumps and induction heating can reduce emissions by 50 to 100 percent with existing technologies. Several of these decarbonisation options are already economically viable at current or expected carbon prices. Decarbonising process heat through electrification is often already profitable in today's context.[12]

11 Agora Industry, *Addressing exports under the EU Carbon Border Adjustment Mechanism.* Ibid.
12 Agora Industry, Agora Energiewende, Fraunhofer ISI, ECCO, and Reform Institut, *The business case for electrifying industrial heat. Evidence from selected EU Member States.*, Berlin: Agora Industry 2026.

## Free allocation in CBAM and non-CBAM sectors, 2025–2040

→ Fig. 6




Agora Energiewende and Industry (2026) based on Emissary model V5.1, The Climate Desk. Baseline scenario assumes LRF remaining at 4.4% until 2035, lowered to 2.0% after, CBAM factor unchanged. Lower ambition scenario assumes LRF lowered to 2.0% from 2031, and CBAM factor delayed by three years.

Once carbon prices sit above 100 Euro per ton of $CO_2$, a greater tranche of technologies break even, e.g. electrified glass production processes as well as decarbonised steam production for paper production. CCS based decarbonisation options in the cement and lime sectors are expected to start breaking even at carbon prices above 120 Euro.

Conditionalities are already embedded in several pieces of climate and energy regulation, in the EU, at Member State level, and internationally. While their designs vary, common features include ex-post proof of usage, third-party verification, thresholds for climate ambition, and in some cases compatibility with Climate Neutrality Plans or comparable strategies.

Examples of conditionalities in other climate regulations → Table 2

| Example | Description |
|---|---|
| Quebec ETS consignment auctions | A rising share of free allocation is consigned to auction: amounts are auctioned and resulting revenue is reserved for the individual emitter and held in an escrow account. Emitters can access these funds if they verifiably completed decarbonisation investments. Funds are consigned to the emitter, but unused funds expire after five years, and recipients must demonstrate that they used the funds to invest in emission reductions. |
| EU Indirect Cost Compensation | Beneficiaries must meet at least one of three conditions: consume > 30 percent carbon-free electricity, reinvest > 50 percent of the compensation into emission reduction measures, or implement the recommendations of an energy audit. |
| Carbon leakage compensation in the Germany national ETS | Large beneficiaries must reinvest 80 percent of the base grant into verified decarbonisation measures. |
| Carbon contracts for difference (CCfDs) in Germany, Flanders, Netherlands, Austria | Recipients must meet thresholds for significant emission reductions. E.g. in the German case, supported technologies must achieve emissions at least 50 percent below a reference technology initially, increasing to 80 percent. |
| EU Temporary Decarbonisation Fund (proposal) | Beneficiaries must implement recommendations from an energy audit with a payback period of up to five years (instead of three for existing conditional free allocation) and must enter a legally binding commitment that ties investments to targets and milestones of the Climate Neutrality Plans. |
| District heating in the EU ETS (Art 10b) | District heating plants qualify for an additional 30 percent of free allocation for 2026–2030 if they invest into measures that significantly reduce emissions, if these investments align with their Climate Neutrality Plan, and if the value of the investment is at least as high as the value of the additional allocation. |

Stimulation of sustainable energy production and climate transition (SDE++); Communication from the Commission Guidelines on certain State aid measures in the context of the system for greenhouse gas emission allowance trading post-2021 2020/C 317/04, 2020; Evaluierung der Verordnung über Maßnahmen zur Vermeidung von Carbon- Leakage durch den nationalen Brennstoffemissionshandel (BECV); Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs.

## 4.4 Targeting conditionality right: what should qualify as decarbonisation investment?

A solution for conditional free allocation should meet several challenges:

- **Move beyond incremental improvements:** rather than optimising energy use in existing configurations, it should reward investments that align with a pathway towards climate neutrality – including, where necessary, reconfiguration of production processes and/or value chains.
- **Align with business investment logic to reward emission reductions that result from investments** rather than decline in output and capacities.

→ **Ensure robust implementation:** Limit bureaucratic burden, use existing data where feasible, proof against fraud or gaming, avoid distortions, and comply with state aid rules and other principles of EU law.

To meet these objectives, conditional free allocation should be pegged to investments (i) in new processes and production methods capable of delivering a substantial emission reduction, and (ii) of sufficient volume.

The first aspect concerns the **transformative ambition of the investment.** This could be demonstrated through one of the following approaches:

→ The installation produces products that meet **standards** for **near-zero emission products** where they exist,
→ Emissions per unit of output are reduced significantly below the applicable allocation benchmark or, as a fall-back, site-level emissions prior to the investment,
→ Where neither of the approaches above is applicable, eligibility could be based on achieving a significant **improvement beyond state of the art,** as defined e.g. in Best Available Technology reference documents.

In all cases, the threshold to qualify for conditional free allocation should reflect the net-zero mitigation options available in each sector. For example, the threshold to produce iron could be set in a way that reflects a plausible roll-out, starting with natural gas-based DRI in the short run (-47 percent GHG emissions), increasing to reflect rising shares of fossil-free hydrogen. Comparable reductions are achieved with ethane crackers replacing conventional steam crackers. For cement, CCS can reduce process emissions from clinker kilns by 90 percent. For process heat that can be electrified, full electrification should constitute the qualifying threshold.

Regarding the second aspect, to qualify for conditional free allocation, the cumulative volume of eligible investments during an allocation period (annualised over the economic lifetime of assets concerned) must be at least equal to the cumulative financial value of free allocation received during the same period. In addition, operators that are required to draw up a Climate Neutrality Plan should document that the reported investment volumes are compatible with the transition pathways and investment milestones laid out in the plan.

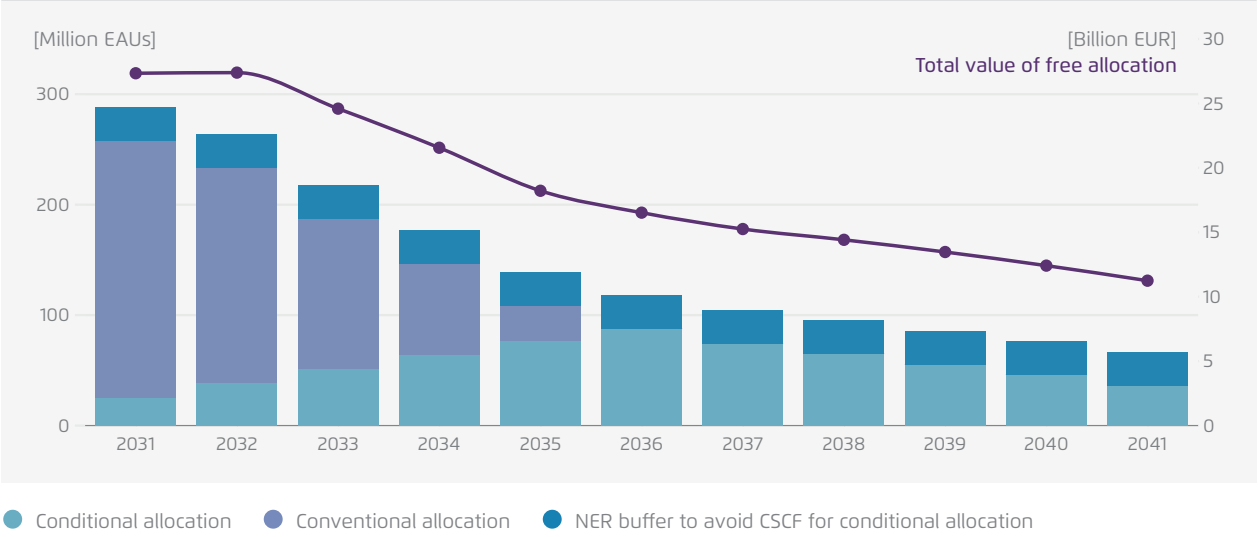
## 4.5 How conditional free allocation could work in practice

For installations that meet the investment conditionality, the volume of free allocation would continue to be determined by the applicable benchmark. As a result, qualifying installations would receive free allowances in excess of their residual emissions exposure. This deliberate overallocation would create an additional revenue stream through the sale of surplus allowances, thereby strengthening the investment incentive.

As long as the allowance budget permits, conditional free allocation should be exempted from the cross-sectoral correction factor, which adjusts allocation amounts to align with the (shrinking) cap. As a result, the effect of the shrinking cap would be absorbed by those installations that do not meet conditionality requirements. Over time, as the cap shrinks further, the effect of the shrinking cap will eventually also reach installations that qualified for conditional fee allocation. This effect can be delayed by using allowances currently stored in the New Entrant Reserve. This reserve has grown to significant proportions since production levels were lower than expected. Since they were originally intended to support new entrants, using them to reward decarbonisation investments would be appropriate.

## Conditional and convential allocation amounts, 2031–2041

→ Fig. 7




Agora Energiewende and Industry (2026) based Emissary model V5.1, The Climate Desk

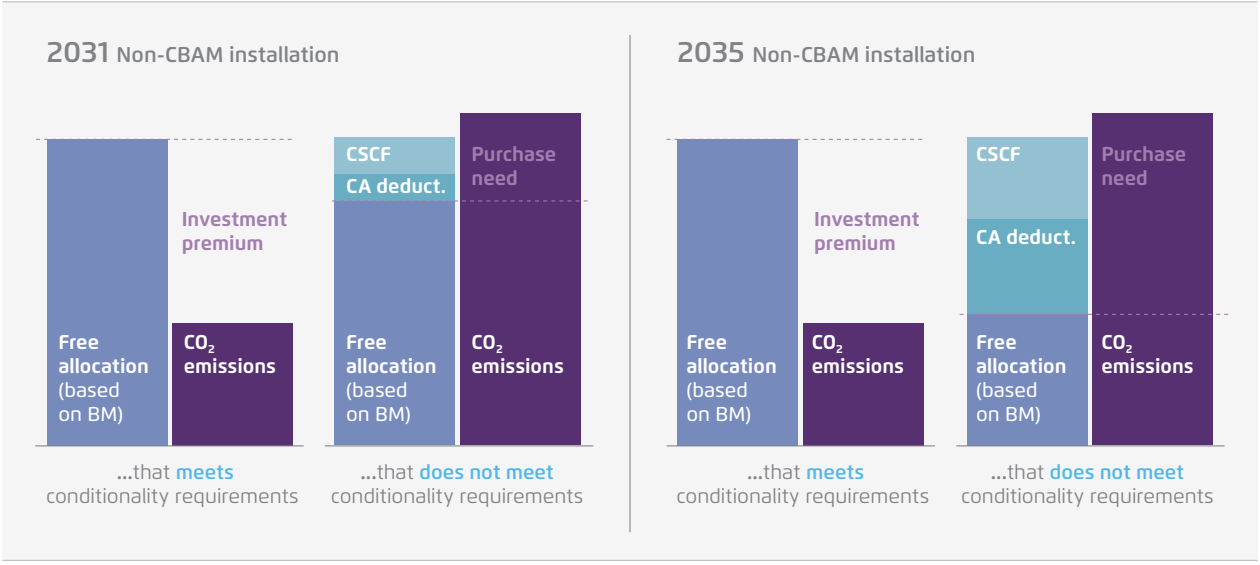
In addition, a separate mechanism - the conditional allocation deduction – is proposed as a means to make additional headroom for conditional free allocation, by adjusting the allocation granted to installations which do not meet the conditionality requirements. This mechanism would directly link the level of support available for decarbonisation frontrunners to the pace of investment across the sector.

The approach would place the adjustment burden primarily on installations that do not undertake qualifying investments. If a large share of installations meets the conditionality requirements, this would demonstrate that the necessary decarbonisation investments are commercially and technically feasible. In that case, the conditional allocation deduction applied to the remaining installations would increase, reducing their residual free allocation. Conversely, if only a limited number of installations qualify – because key enabling conditions such as technology availability, infrastructure deployment or access to capital have not yet materialized – the deduction would remain smaller, limiting the burden on non-qualifying installations.

Regarding sectoral scope, while eligibility thresholds may differ by sector, conditional free allocation should apply to both CBAM and non-CBAM sectors alike. For sectors covered by CBAM, the progressive phase-out of free allocation means that conditional free allocation will become less attractive over time – eventually becoming limited to export compensation, if this should involve continued free allocation. However, the experience of steel and cement sectors demonstrates that CBAM-covered industries can also be leaders in industrial transformation, with comparatively mature decarbonisation pathways and significant investment already under way.

The planned phase-out of free allocation may itself strengthen investments incentives by creating a form of "early mover" advantage. Firms with investment projects already in development have an incentive to proceed quickly to maximise the period during which they can benefit from conditional free allocation. The rationale for applying conditional free allocation to CBAM sectors becomes even stronger in case the timeline for CBAM implementation and free allocation phaseout should be delayed.

Schematic example for a non-CBAM installation (or for exported production) → Fig. 8




Agora Energiewende and Industry (2026). CSCF = cross-sectoral correction factor; CA deduct. = deduction for conditional free allocation; BM = benchmark

A conditional free allocation system that seeks to incentivise investment needs to **reflect the realities of investment decisions.** This includes (i) definition of legal entities (company-level pooling), (ii) temporal scope, and (iii) allowing for some flexibility in the execution of investments and their effects.

In terms of legal entity definition, **pooling installations at company level may be considered.** In practice, investment decisions are typically taken at company level, and investment data is generally available on the same basis.

For companies that operate multiple installations, transformative investment will typically proceed sequentially. To account for such dynamics, it may be expedient to allow investment volumes to be pooled across installations that are owned and operated by the same entity when qualifying for conditional free allocation. Similar considerations may apply where installations have different owners but operate as part of an integrated industrial cluster, such as industrial parks

In terms of temporal scope, conditional **free allocation should recognise both past and future investments.**

- → For **current and forthcoming investments,** following the Quebec example, conditional free allocation could be decreed and transmitted into an escrow account, either in the form of allowances or as revenue from the sale of a corresponding number of allowances. These allowances (or their monetary equivalent) would then be released from the escrow account upon verified proof that a) the investment has taken place and b) has started to deliver the envisaged emission reduction. Importantly, the amounts would only be held in the escrow account for a limited period of e.g. five years. As installations have a legal right to the conditional free allocation, it can count towards their financial accounts, e.g. to serve as collateral for a credit.
- → To reward **first movers,** investments made prior to 2031 should be eligible to count towards the investment volume required to meet the conditionality.

Given the technological and economic uncertainties involved, there will be a need to operate with **ranges and time windows,** both regarding the timing of investments, but also the emission reductions achieved by them. This should be combined with **clawback provisions** if the committed investments do not materialise at all, or if they fail to reach minimum thresholds for volume or performance. Performance monitoring and third-party verification should therefore be mandatory for the supported investments.

To minimise bureaucratic burden and accelerate implementation, in cases whereby installations receive additional support from public programmes with transformative ambition (e.g. IPCEI or CCfD support), this approval and any information previously submitted should be recognised in the application for conditional free allocation.[13]

13 A more delicate decision concerns the question if the investment volumes that installations / companies report would need to be corrected for public investment support received or expected (e.g. IPCEI funding, CCfDs, investment tax credits / subsidies or other types of financial investment support). While this would be preferable to avoid unfair distortions and double compensation, it would also (significantly) limit the investment incentive from conditional free allocation.

## Key takeaways for making free allocation conditional on decarbonisation investment

**The shrinking ETS cap implies less free allocation and requires all emitting sectors to contribute to emission reductions. Going forward, the ETS must support investments into decarbonised processes and value chains. In addition to the use of ETS revenues, free allocation can be a key lever to achieve this: where installations still receive allowances for free, these should increasingly be prioritised for those who demonstrably invest into modernising assets in Europe, in a way that is aligned with pathways to climate neutrality. The following considerations are key for implementing such an approach:**

- Preferential free allocation should reward investments that are aligned with climate neutrality. This can be established through thresholds that relate to (i) the emission reduction achieved (demonstrated either through capacity to produce near-zero outputs, emission reduction drastically below the allocation benchmark, lifecycle or site level emissions reductions, or as a fallback significant improvement compared to a reference technology), and (ii) to the volume of the investment undertaken.
- To reflect investment dynamics at company level, pooling of installations can be an option. Investments made prior to 2031 should be able to qualify. For planned decarbonisation investments, conditional allocation could be granted based on a legal commitment to invest but disbursed only upon proof that the investment has materialised and started to deliver.
- Time windows and ranges for investments to materialise and achieve their intended effect can better reflect the realities of such investments, but clawback provisions are also recommendable in case investments have not materialised or failed to deliver. Such rules should reward speed.
- Conditional free allocation could be exempt from the cross-sectoral correction factor for a certain period. Using excess amounts from the New Entrants Reserve may extend the time for which conditional free allocation is shielded from the CSCF. In addition, a deduction mechanism can ensure that conditional free allocation volumes are obtained by adjusting the allocation for remaining installations.

# 5 How can the EU ETS be better linked to the emerging EU industrial policy?

## 5.1 To unlock investments, conditional free allocation is only part of the solution

Making free allocation conditional can strengthen incentives to invest, but it is no panacea. Above all, while conditional free allocation can improve project economics, it does not by itself create a business case for investment. Companies invest when they expect a viable market for their products, not simply because investment costs are partially supported. Effective industrial decarbonisation therefore requires complementary demand-side policies, including lead market initiatives, alongside CBAM and other instruments that enable producers to recover the green premium. In addition, investment conditionality is mainly geared at supporting capital expenditure, and it is of limited value for companies that struggle to mobilise finance for investments. Conditional free allocation thus needs to be embedded in a coherent industrial policy package, including targeted use of ETS revenues. To create an enabling environment for investment, such a package needs to address existing barriers individually:

- **Weak and uncertain domestic demand:** roll out green lead markets and other demand creation instruments, consider quotas or consumption levies that allow recovering the green premium from final consumers.[14]
- **Financial and technological risks:** financial support through investment incentives and derisking tools such as CCfDs and concessional guarantees.[15]
- **Infrastructure bottlenecks:** integrated 10-year planning for energy, electricity, carbon and $H_2$ infrastructure, setting a high-level framework to be complemented by bottom-up planning and investment.[16]
- **High energy prices and an unfavourable gas to electricity price ratio:** Elimination of electricity taxes and reduction of levies where applicable, further rapid expansion of renewable generation, storage and demand flexibility to reduce the hours when fossil fuels set the electricity price.[17]
- **Distortions arising from overcapacities, unfair trade practices and subsidies:** where necessary ramp up trade protections in a targeted and WTO-compliant way, including through "made with Europe" requirements.
- **Regulatory uncertainty:** maintain a clear, unequivocal commitment to the EU climate targets and the integrity of the EU ETS, including its main parameters.

For several of these factors –notably demand creation, derisking of investments and infrastructure rollout – the targeted use of ETS revenues can support the transformation while minimising market distortions. The forthcoming Industrial Decarbonisation Bank, the Investment Booster and other financing tools at EU and Member State level will have a key role to play.

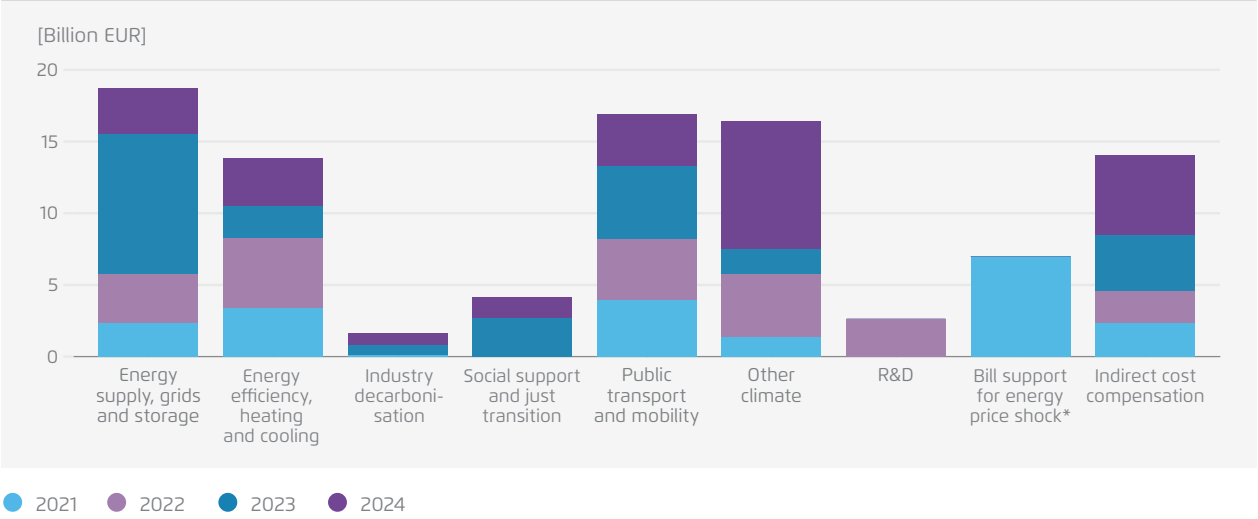
14 Agora Industry, *Creating markets for climate-friendly basic materials. Potentials and policy options,* Berlin: Agora Industry 2024.
15 Agora Industry, FutureCamp, Ecologic Institute, and Wuppertal Institute, *Transforming industry through carbon contracts: Analysis of the German steel sector.,* Berlin: Agora Industry 2022.
16 Agora Energiewende, Forum Energii, IDDRI, EPG, and ECCO, *Designing energy infrastructure for a climate-neutral Europe. Solutions for cost-effective system development.,* Berlin: Agora Energiewende 2025.
17 Agora Energiewende, Agora Industry, and IDDRI, *Powering Europe's industry. Competitiveness, electrification and the role of electricity prices,* Berlin: Agora Energiewende 2026.

## 5.2 Mobilising funding for industrial decarbonisation investments: ETS revenue and the Industrial Decarbonisation Bank

Since 2013, EU Member States have generated approximately 176 billion Euro in auction revenues, rising from 5 billion Euro in 2017 to almost 30 billion Euro in 2022.[18] Only since 2023 have Member States been required to spend 100 percent of these on a broad range of climate and energy related purposes, up from the previous recommendation of 50 percent. To date, the majority of ETS revenues have been directed towards sectors where mature abatement options are deployed, such as energy supply, grids and storage (18.7 billion Euro), public transport and mobility (16.9 billion Euro), and energy efficiency in buildings (13.9 billion Euro). By contrast, only around 1.7 billion Euro was explicitly allocated to industry decarbonisation.

### Auctioning revenues spent by Member States on climate-related measures, 2021–2024

→ Fig. 9




European Commission Report on the Functioning of the Carbon Market 2024 and 2025. European Roundtable on Climate Change and Sustainable Transition (ERCST) State of the Carbon Market Report 2022 and 2023. *non Article 10(3)

Industry also benefits considerably from auctioning revenue, in the form of Indirect Cost Compensation (ICC). Member States may compensate energy intensive industries for up to 75 percent of indirect ETS costs, i.e. higher electricity prices. Between 2021 and 2024 alone, Member States spent more than 14 billion Euro on ICC, making it one of the largest shares of ETS revenue expenditure. While ICC can help mitigate carbon leakage risks and support electrification, the current system has several shortcomings. In particular, compensation levels have historically been based on standardised emission factors that often exceeded the actual carbon intensity of the electricity consumed, risking overcompensation.

In addition, industrial innovation was supported through dedicated instruments at EU level, notably the Innovation Fund, which finances first of a kind demonstration projects and industrial decarbonisation investments. A separate fund, the Modernisation Fund, supports the modernisation of energy systems in lower income Member States, all in Central and Eastern Europe. Instead of auctioning all allowances, Member States were

18 Internal calculations based on the European Commission's *Reports on the Functioning of the European Carbon Market 2020–2025*

allowed to grant free allowances to electricity generators if the corresponding value was invested in modernising their energy sector. Yet the vast majority of the estimated 11 to 12 billion Euro of funding was directed towards upgrading or retrofitting existing electricity infrastructure, with only 6 percent invested in deploying transformative low carbon technologies.[19]

The proposed Industrial Decarbonisation Bank and the Investment Booster, in concert with the Innovation Fund, can play an important role to support EU industry in shouldering the upfront cost of decarbonisation, as well as defending or regaining leadership for key clean technologies. The challenge now sits primarily on the revenue side: if significant volumes of allowances are brought to the carbon market to raise the funds needed, this risks depressing the carbon price and further undermining the business case of those who have already invested billions. A more compelling approach may be to frontload ETS revenues, building on the model already envisaged for ETS2 – the upcoming carbon market for buildings and transport. Rather than relying solely on annual auction revenues as they accrue, the European Investment Bank or the future Industrial Decarbonisation Bank could leverage bring forward future ETS revenues to make funding available upfront for industrial decarbonisation projects.

19 *Report on the Functioning of the European Carbon Market in 2020,* European Commission 2021.

## Key takeaways for embedding the EU ETS into the emerging EU industrial policy

**Making free allocation conditional strengthens the incentive to invest, but is no panacea. It needs to be embedded in a coherent industrial policy package, including targeted use of ETS revenues to create enabling conditions for investments. To bring this about, the following considerations are central:**

- Creating enabling conditions for investments may involve a suite of measures: rolling out green lead markets and other demand creation instruments to address weak and uncertain domestic demand, providing financial support through investment incentives and derisking tools such as CCfDs to contain financial and technological risks, integrated 10-year planning for energy, electricity, carbon and $H_2$ infrastructure to overcome infrastructure bottlenecks, supporting further expansion of renewable generation, storage and demand flexibilities to lower electricity prices and improve the gas-to-electricity price ratio, and where necessary, ramping up trade protections in a targeted and WTO-compliant way to contain distortions arising from overcapacities, unfair trade practices and subsidies.
- Better targeting the use of ETS revenues to support decarbonisation investments can involve elements such as stronger transparency, monitoring and enforcement of Member State spending and targeting the use of revenues explicitly at investment enablers – demand creation, derisking tools, alleviating infrastructure bottlenecks, and other measures to structurally lower electricity prices.
- Increasing the share of ETS revenues channelled to EU level investment instruments, such as the Innovation Fund, the Investment Booster and the future Industrial Decarbonisation Bank can support strategic cross border investments and avoid fragmentation of the Single Market.
- Yet in raising funds for such investment support tools, care should be taken not to undermine the ETS integrity by bringing too many allowances to the market too soon: frontloading of revenues from future regular auctions offers a better option than ad-hoc release of accumulated reserves.

# Publication details

**About Agora Energiewende**
Agora Energiewende develops scientifically sound and politically feasible strategies for a successful pathway to climate neutrality – in Germany, Europe and internationally. The organisation which is part of the Agora Think Tanks works independently of economic and partisan interests. Its only commitment is to climate action.

**Agora Energiewende**
Agora Think Tanks gGmbH
Anna-Louisa-Karsch-Straße 2
10178 Berlin | Germany
P +49 (0) 30 7001435-000

www.agora-energiewende.org
info@agora-energiewende.de

**Proofreading:** Darragh Cunningham
**Typesetting:** Anja Werner

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