EU electricity sector backs meaningful carbon market amidst pushback

As negotiations begin today in the European Parliament, Eurelectric urges policymakers to maintain momentum and preserve a predictable and robust carbon market.

BRUSSELS, BELGIUM, October 1, 2026 /EINPresswire.com/ -- As negotiations on the European Commission's proposed review of the EU Emissions Trading System (ETS) begin today in the European Parliament, Eurelectric is urging policymakers to maintain momentum and preserve a predictable and robust carbon market. In line with lead negotiator MEP Peter Liese's calls to find compromise, a new paper sets out recommendations on what to keep, change and add to the proposal to ensure the ETS remains effective.

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>
> *Kristian Ruby, Secretary General of Eurelectric*

Against calls to scale back ambition on the EU carbon market, Eurelectric calls on EU policymakers to ensure a predictable, meaningful and sustainable carbon price. This is essential to provide a strong investment signal for decarbonisation and electrification, while avoiding excessive volatility and safeguarding market stability.

“Thanks to the Emissions Trading System, the power sector has driven 75% of the emissions reductions across EU ETS sectors. More importantly, it has provided the right signals to unlock investment in clean technologies – a necessary step if Europe is to remain competitive on the global stage,” said Kristian Ruby, Secretary General of Eurelectric.

Europe’s power sector contributes approximately €220 billion annually to EU GDP and is expected to invest more than €5 trillion by 2050 in generation capacity and infrastructure to deliver a decarbonised energy system across the Union.

For these reasons, Europe should strengthen the ETS rather than scale back its ambition. The European Commission’s proposal, put forward in July, already offers significant flexibility to energy-intensive industries. However, this flexibility comes close to the limits of the EU’s agreed 2040 climate target, including by fully factoring in the ETS sectors’ share of international credits upfront. To preserve a meaningful carbon price that continues to drive investment towards the 2040 target without penalising frontrunners, the system’s ambition should be increased.

“The current geopolitical landscape leaves no room for doubt. Moving away from fossil fuels is essential to reduce exposure to volatile fossil-fuel prices, and the EU ETS is the most effective tool Europe has to drive this transition,” Ruby commented.

Three quarters of industrial CO□ emissions come from burning fossil fuels to produce process heat. Much of these fossil fuels are imported, costing the EU €450 billion in 2024 alone. Eurelectric estimates that 60–90% of industrial energy demand could be directly electrified by 2035, while ETS revenues could play a key role in directing investment towards industrial electrification and transformation.

The power sector has worked with industry representatives to identify actionable solutions for electrifying industrial processes, first through the Antwerp Dialogues and later through a dedicated flagship project. Eurelectric now reiterates that ETS revenues and carbon-leakage protection tools should be mobilised to support industrial transformation, electrification and competitiveness in Europe.

A successful transition must also be socially and geographically fair. The EU should implement a people-focused ETS2, backed by strong enabling policies and adequate funding, while strengthening the Modernisation Fund to ensure that all regions can participate in and benefit from the transition.

ENDS

Note to Editors:
Eurelectric represents the common interests of the European electricity industry. Speaking for more than 3,500 electricity companies, we promote the role of electricity in the advancement of society.

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