

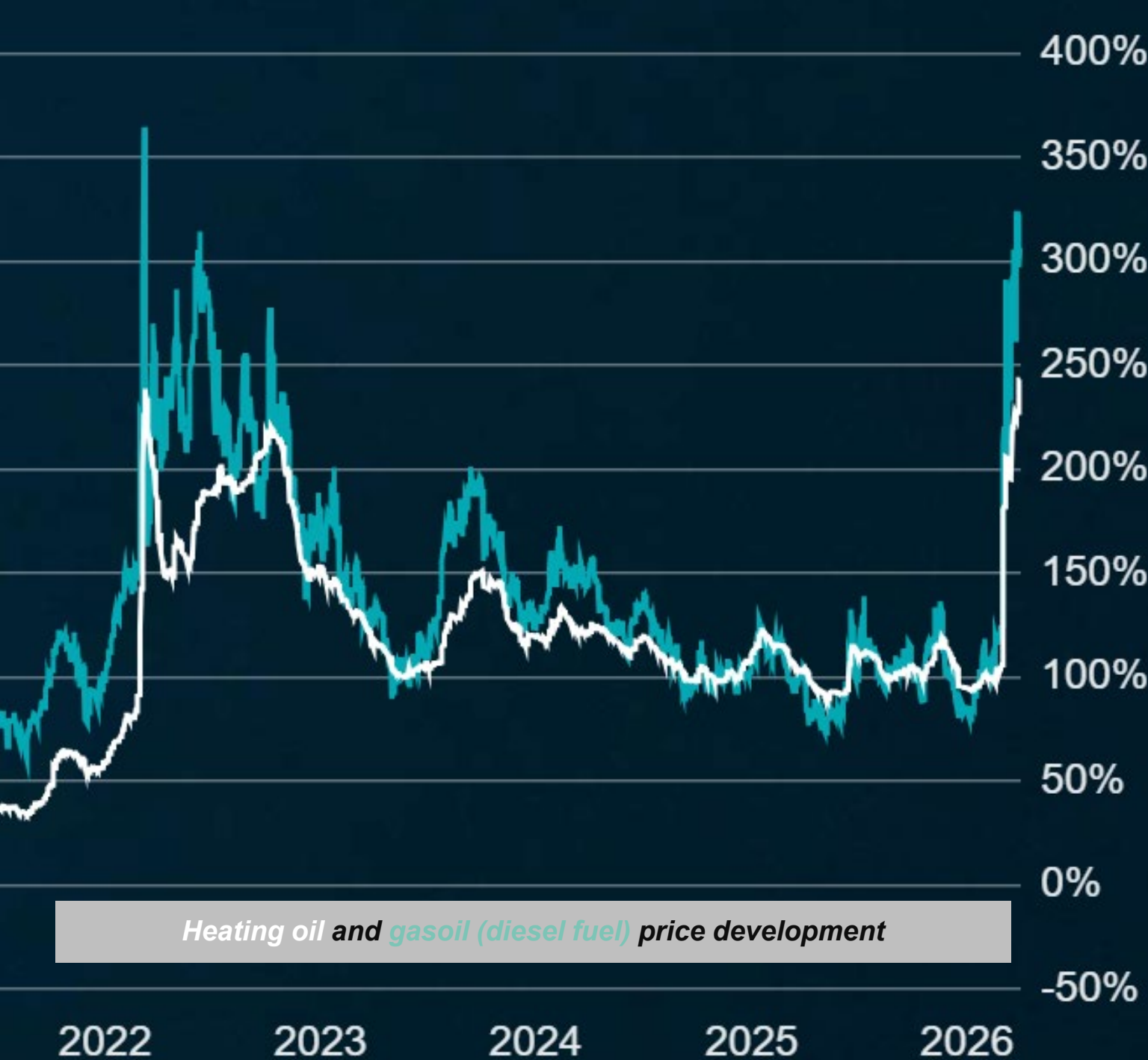
# ETS2

Emissions Trading System for Road Transport, Buildings and Additional Sectors

*Mette Quinn, Head of Unit  
DG CLIMA B1 – European Commission*

*Mobility Conference – 20 April 2026*





Heating oil and gasoil (diesel fuel) price development

# Background

Adopted in 2023 by Member States and European Parliament

Amidst (then) unprecedented energy crisis by Russian invasion of Ukraine



# Why ETS2?

EU **vulnerability** to oil and gas import volatility

**57%**  
*energy import  
dependency rate*

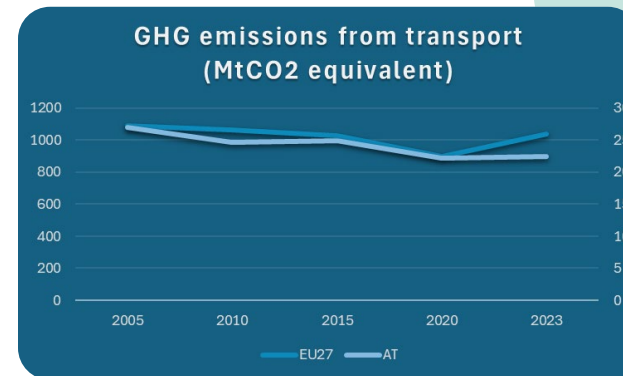
*Fossil fuel  
imports cost  
EU ~€30  
bn/month*

*First 2 weeks  
of Iran conflict  
alone added  
~€6 bn*

Social and economic **cost** of oil and gas price shocks for EU taxpayers

**~25% EU GHG emissions**

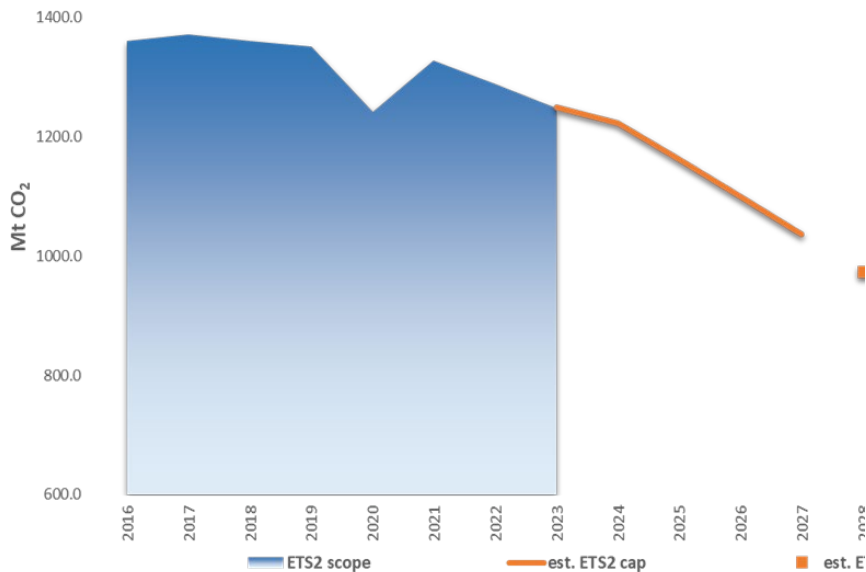
Decarbonisation of road transport and heating **not on track**



# How does it work?

## Start 2028

New and **separate** ETS  
For **fuel suppliers**  
**-42% by 2030 (2005)**



## Price stabilisation

**Built-in safeguards**  
*(initial oversupply, price control mechanism, cost passthrough monitoring)*

**New** – changes for **earlier and stronger price intervention**



## Complementary

Helping achieve national **ESR targets**

Complements national measures to increase **cost-effectiveness, investments and redistribution**

*“All Member States should swiftly implement ETS2 and accelerate complementary national measures to decarbonise these sectors”  
(2025 NECP assessment)*



# Driving investment and redistribution

*“€66 billion public investment need for transport decarbonization in Austria by 2030” (NECP)*

## Social Climate Fund

- EUR 579 million for Austria (2026-2032)
- Inclusive investments to decarbonise housing and road transport for vulnerable groups
- Solidarity and redistribution

## National ETS2 Revenues

- 100% to be spent on climate and social purposes
- Prioritizing middle- and lower-income groups
- Annual reporting

- New** – boosters to accelerate early investments
- €3 billion EIB Facility (2026)
  - early auctioning (2027)



# Social Climate Fund

Mobilises **EUR 86.7 billion** over **2026-2032** period  
EUR 65 billion from the Fund + at least 25% national contributions

## Eligibility of expenditure as of June 2024

based on auctioning of 50 million EU ETS allowances in 2026-2027 (frontloading)



Support vulnerable households, transport users & micro-enterprises concerning impact of ETS2



Support investments in energy efficiency & renovation of buildings, clean heating & cooling



Finance zero- & low-emission mobility & transport, including public transport



Provide temporary direct income support



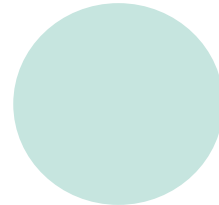
# ETS2 in Austria

# Transport impact

Transfer to ETS2 is not expected to increase projected costs compared to Austria's **national CO2 pricing**:

- **consumer price** increase for energy in transport of 11.7% in 2030, similar to EU average
- highest **absolute** contribution by highest income groups

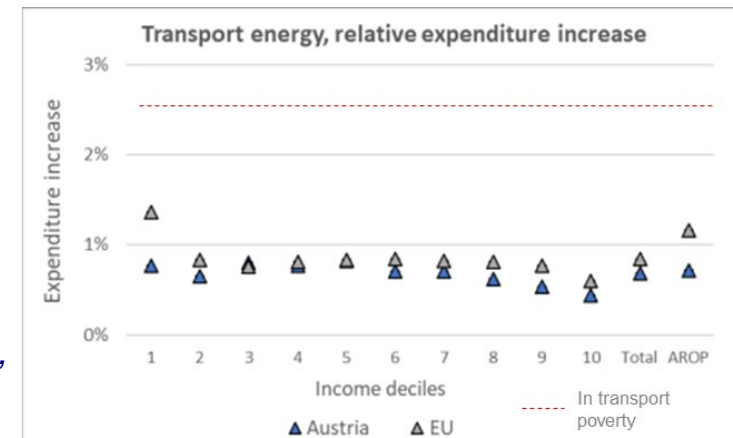
*20% lowest income households responsible for less than 1/10 emissions: ~€100/year*



*20% highest income households responsible for 1/3 emissions: ~€300/year*

- lowest-income, seniors and singles **relatively** most vulnerable

*transport energy expenditure increase as share of disposable income for groups in transport poverty >2%, compared to <1% for total population*



# Thank you



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# Smooth start

