

12 May 2026

To:

Ms. Ursula von der Leyen, President of the European Commission,

Ms. Teresa Ribera, Executive Vice-President for a Clean, Just and Competitive Transition,

Mr. Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth,

Ms Roberta Metsola, President of the European Parliament,

Climate attachés of the 27 Permanent Representations to the European Union

Joint Call for the ETS2 Implementation: Delivering Predictability, Investment and Fairness

The 61 undersigned companies, industry associations and civil society organisations urge the European Commission, the European Parliament and Member States to maintain regulatory stability and ensure the effective and timely implementation of ETS2 and the Social Climate Fund (SCF).

In 2028, the EU will introduce a new emissions trading system designed to put a carbon price on diesel, petrol and heating fuels. **ETS2 and the SCF are essential to strengthen energy security, economic resilience, enable European industry to scale decarbonised solutions on their home market, ensure a fair energy transition for consumers and reinforce the global competitiveness of European industries.** They are indispensable for achieving the EU's 2030 climate objectives, **accelerating the decarbonisation of road transport and buildings**, and reducing Europe's **structural dependence on fossil fuel imports**, especially as recent geopolitical crises have exposed the volatility and unreliability of global oil and fuel supply chains. Carbon pricing delivers emissions reductions only when matched with deployable clean solutions, a skilled workforce, and fair access.

Yet, ETS2 and the SCF are facing growing pressure, especially in the context of the upcoming ETS review. Recent calls to postpone or dilute their key provisions risk crippling their effectiveness and eroding the price signal certainty that businesses and households need to make confident, long-term investments. For EU citizens and businesses, a predictable energy transition is the foundation for prosperity, competitiveness, and long-term stability.

This context creates both a risk and an opportunity. The one-year delay should not be treated as a pause, but as a **responsibility for Member States and policymakers to create the conditions for a smooth, credible and socially fair implementation of ETS2 and the SCF**. Used effectively, this time can improve infrastructure readiness, accelerate support measures for vulnerable households and vulnerable transport users, provide clearer investment signals while cutting emissions. Used poorly, it could prolong uncertainty, undermine confidence and investments, and weaken both ETS2 and the SCF.

ETS2 and the SCF provide certainty only if their design remains stable and their implementation is credible and people-centred.

Preserving the system is of the utmost importance: ensuring affordability and strengthening public acceptance through understanding, practical support and enabling credible low-carbon solutions will be essential to safeguard the instrument and its long-term objectives.

We call upon lawmakers to:

1. Launch ETS2 in 2028, without further delays or reopening, and use the time to actively prepare implementation

Private consumers, SMEs, and large businesses across the clean heat and road transport sectors have invested significantly based on the stability and predictability of the EU's regulatory framework, including ETS2. Undermining this certainty now would erode confidence, disrupt investment decisions, and jeopardise Europe's competitiveness and energy security at a critical moment. The EU and its Member States must use the one-year delay to accelerate infrastructure deployment and streamline administration. Taking advantage of the pre-launch window for ETS2, Member States must urgently transpose the Directive into national law, finalise and start implementing their Social Climate Plans. This is essential to access funding from the SCF and the EIB's Frontloading Facility, both available from 2026, and to pre-finance national decarbonisation measures until ETS2 revenues begin to flow. Both funds enable Member States to begin investments before ETS2 becomes fully operational, strengthening affordability and public acceptance. Crucially, the one-year window must also be used to scale up training

and certification of the currently insufficient specialised workforce who are critical for an effective implementation.

2. Prioritise timely and targeted use of ETS2 revenues to bring about benefits

ETS2 will generate substantial revenues that should be strategically reinvested to reduce costs for citizens and businesses. Prompt investment in structural decarbonisation is key to containing prices. In the road transport sector, this includes support for zero-emission vehicle purchases, electric vehicle (EV) charging infrastructure, electricity grid readiness and public transport, including railways and mass transit. In the buildings sector, investments should prioritise heat pumps, energy-efficient renovations, solar thermal integration, geothermal, energy communities and clean heating systems. Key to public acceptance is effectiveness, speed and fairness. Therefore, a significant portion of ETS2 revenues should be used to support vulnerable households and transport users, thereby protecting, incentivising and empowering citizens in the transition. Citizens, organised civil society, local authorities and businesses should be meaningfully involved in decisions on revenue use, including through existing fora such as multilevel climate and energy dialogues.

3. Strengthen and operationalise the Social Climate Fund (SCF)

The SCF is essential to address affordability concerns and support vulnerable groups, micro-enterprises and transport users. Member States should prioritise targeted, structural measures that reduce demand for fossil fuels, in line with the “Energy Efficiency First” principle. The objectives of the SCF must be preserved and reinforced in the next Multiannual Financial Framework (MFF). Additionally, consideration should be given to increasing the SCF share of ETS2 revenues, complementing it with other sources (e.g., ETS1 or the Market Stability Reserve), and extending the Fund beyond 2032 to avoid funding gaps.

4. Combine carbon pricing with strong complementary policies

ETS2 cannot do the job alone. Its effectiveness and political acceptability depend on complementary measures to reduce emissions, support consumers and contain prices, national measures to reach ESR, EED, REDIII and EPBD ambition, and adopting and implementing the Greening Corporate Fleets Initiative. These measures are essential to contain prices while driving structural change and constitute enabling factors needed for ambitious car and truck CO2 standards to be met. In addition, it will be necessary to phase out fossil fuel subsidies and ensure equality of taxation between electricity and other energy sources to introduce a level playing field.

5. Ensure price predictability while maintaining credible signals

Ensuring price predictability in the early years is important for political and social/public acceptance. Existing and potential additional measures to address volatility should

support stability without weakening the long-term investment signal or environmental integrity of ETS2.

6. Provide resources to raise awareness and ensure transparency.

The smooth introduction of ETS2 and accompanying measures will depend on correct information. Reaching citizens and businesses. Therefore, awareness-raising campaigns and fact-based, accessible information are key.

In line with the current geopolitical context, citizens are more aware than ever of the need to improve energy security and move off fossil fuels. A timely and properly implemented ETS2 will support these objectives.

ETS2 sits at the intersection of climate policy, competitiveness and social fairness. In the current political environment, its success will depend on maintaining its design, reinforcing the enabling conditions, and on increasing its credibility, deliverability and public acceptance.

We urge the European Commission, the European Parliament and Member States to act decisively.

Your sincerely,

List of signatories:

- ABB E-mobility
- AEDIVE (Spanish Association for the Development and Promotion of Electric Mobility)
- Alpitronic
- Blue Heart Energy
- Bundesverband Wärmepumpe e.V. (BWP)
- Carrier Climate Solutions Europe
- Centre for Transport and Energy (CDE)
- CER (Community of European Railway and Infrastructure Companies)
- ChargeUp Europe
- Circontrol
- Cool Heating Coalition
- Danfoss
- DEKRA
- Deutscher Naturschutzring (DNR)

- DFDS A/S
- E.On
- Efficient Buildings Europe
- EHPA
- ELONROAD
- E-Mobility Europe
- Environmental Coalition on Standards (ECOS)
- EquanimityEnergy
- Etecnic Energy & Mobility
- EuropeOn
- European Environmental Bureau (EEB)
- European Geothermal Energy Council (EGEC)
- European Heating Industry (EHI)
- European Transport Board
- Euroheat & Power (EHP)
- EV Belgium
- EWE AG
- Fastned
- FIER Sustainable Mobility
- Finnish Heat Pump Association SULPU ry
- GCP Europe
- German CEO Alliance for Climate and Economy (Stiftung KlimaWirtschaft)
- Germanwatch
- Hsubject
- Iberdrola
- IGLU TECH
- Juna Technologies
- Milence
- NIBE AB
- OCHSNER Heat Pumps
- ODE Vlaanderen
- Ørsted
- Polestar
- PPC Group
- PragmaCharge

- PSNM
- REScoop.eu
- ROCKWOOL
- Solar Heat Europe
- SOLIDAR
- The European Consumer Organisation (BEUC)
- Thermonet Europe
- TRATON
- Transport & Environment (T&E)
- Vattenfall
- VELUX Group
- Virta



The Consumer Voice in Europe



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VIRTA

 **Etecnic**

 **Equanimity
Energy**

solidar

Polestar





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About the European ETS2 Action Alliance

The European ETS2 Action Alliance is envisioned as a broad, cross-sectoral alliance of stakeholders supporting ETS2 and its timely implementation. As a shared platform for intelligence and coordination, the alliance brings together actors working on climate, energy, road transport and buildings, including but not limited to NGOs, organised civil society, industry representatives, social partners, trade organisations and other relevant organisations.

The alliance's core purpose is to act as a credible and vocal force in support of ETS2, countering attempts to further weaken or delay it, and proactively reinforcing its role as an essential tool for climate action, social fairness and energy independence.