

Ms Ursula von der Leyen
President of the European Commission,
Rue de la Loi, 200, Brussels

Brussels, 29 May 2026

Subject: Urgent industry concerns regarding the review of ETS heat and fuel fallback benchmarks (2026–2030)

Dear President von der Leyen,

The undersigned associations, representing a broad range of energy-intensive sectors and district-heating operators, would like to express serious concerns regarding the ongoing update of the EU ETS heat and fuel fallback benchmarks for the 2026–2030 period, which proposal has been officially launched by the Commission on May 11th for stakeholder consultation and is to be followed by a vote in the Climate Change Committee.

Fallback benchmarks play a critical role into the EU ETS framework, as they apply to the vast majority of installations in situations for which no product benchmark could be defined. As a result, the level of free allocation – and thus carbon leakage protection – for many industrial operators depends directly on these fallbacks.

Applying the maximum benchmark reduction rate of 50% does not reflect the actual technological improvement potential in the sectors concerned and is creating disproportionate impacts. The European Commission has already recognised this by proposing an alternative approach in the upcoming EU ETS Directive review. However, this leaves a gap for the coming years, until this alternative approach enters into force.

In light of the above, we respectfully call on the European Commission to suspend the ETS benchmarks update for the fallback approach until the current approach is replaced by a methodology that is more reflective of the industry's reality.

We remain fully committed to the EU's climate objectives and acknowledge the role of the ETS as a key tool. However, a change in the Benchmark decision is crucial for our future in Europe.

Yours sincerely,

Signatories

- The European Chemical Industry Council – Cefic
- Cerame-Unie - The European Ceramic Industry
- The European Association for the Promotion of Cogeneration – Cogen Europe
- The European Association of Sugar Manufacturers - CEFS
- European Aluminium
- International Copper Association
- Euromines
- European Metals
- European Expanded Clay Association
- Starch Europe
- International Federation of Industrial Energy Consumers – Ifiec
- TomatoEurope
- Fediol - EU vegetable oil and proteinmeal industry association
- Glass Alliance Europe

