

On the road to a *smooth start*

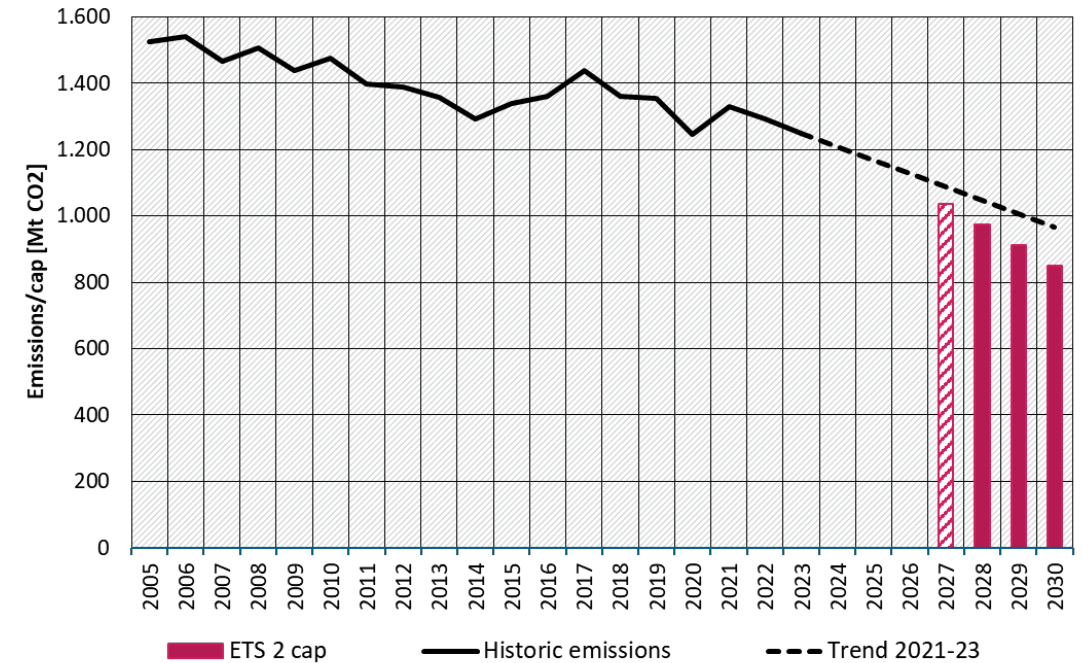
Study on support measures, policies and investments in ETS2 sectors

Sylvie Ludig | *A fair and effective ETS2 – how do we get there?* | 02.12.2025



Background

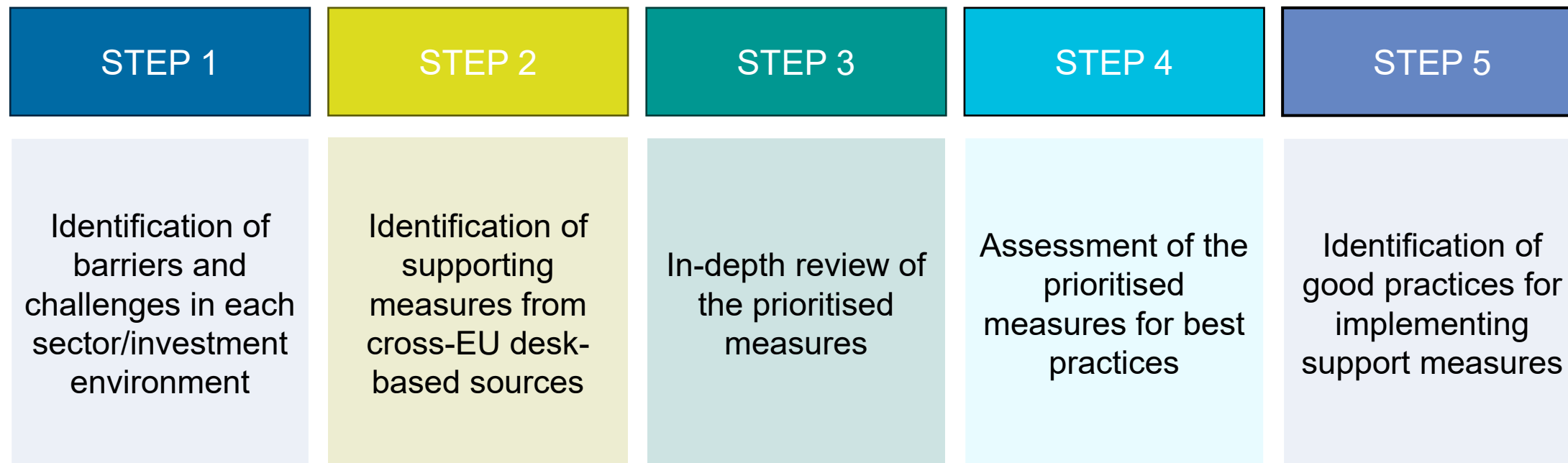
- ETS2 postponed to ensure a *smooth start* by:
 - Preventing high prices for ETS2-EUA
 - Lower barriers to fossil-free options
 - Bring down costs, especially for vulnerable groups
 - Enabling easy access to electrification
- How do we achieve that?
 - Early start for decarbonisation in ETS2 sectors
 - Lower ETS2-EUA prices
 - Lower burden through early switch to fossil-free alternatives



Objectives of the study

- Assessment of **supporting measures for decarbonisation** in the sectors covered by ETS2
- Focus on measures which are **scalable, reproducible across other EU MSs**, potential to have a **short-term impact** (3-5 years) and are **cost-effective**.
- The measures **address challenges and barriers and support strategic opportunities** to deliver energy and/or carbon savings
- The study builds on national and EU experience
- Expands on the list of measures supported through the SCF by supporting a wider range of stakeholders, including middle income households.
- Identified measures support rapid decarbonisation including support for electrification of private transport, building renovation and incentives for energy efficiency investment.

Methodology



Output

A concrete toolbox for Member States' use

- Set of 21 ready-to-use, short term, high impact measures
- Tested and tried in Member States across the EU
- Widely consulted with over 150 sectoral experts
- Delivering “quick win” decarbonisation in road transport, heating for buildings and industry
- Benefitting both middle- and lower-income groups

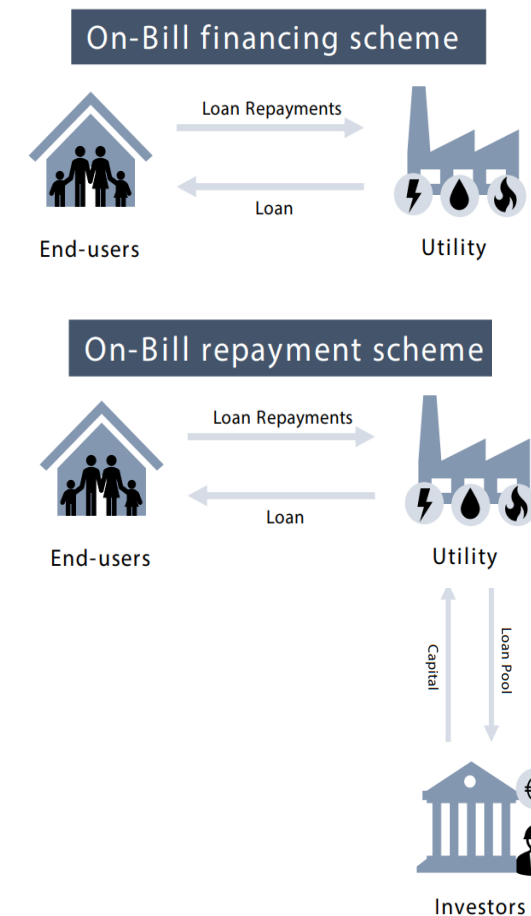
Example Measure from the study: Road Transport

CO2-based tax deductibility for company cars in Belgium	
Description	<ul style="list-style-type: none"> • Targets companies with commercially registered vehicles by linking tax incentives to vehicle emissions. • Companies can claim higher depreciation for zero-emission vehicles (ZEVs), reducing taxable profits and thus lowering corporate or income tax.
Rationale	Encourages ZEV adoption by increasing deductibility and phasing out ICEV deductibility.



Example Measure from the study: Buildings

On-bill financing	
Description	<ul style="list-style-type: none"> On-bill financing enables homeowners or tenants to implement energy efficiency or renewable energy renovations without upfront costs, repaying the investment through their regular energy bills, with energy savings ideally offsetting all or part of the payments. Schemes can be utility-funded (On-Bill Financing, OBF) or involve third-party lenders such as banks or public funds (On-Bill Repayment, OBR), and repayment can be structured as loans tied to the customer or tariffs tied to the meter or property. Utilities typically collect repayments through existing billing systems, and the design of schemes needs to be adaptive, reflecting the regulatory context, characteristics of the country, and the specific needs of target groups, as encouraged by the recast EPBD.
Implemented where?	FR, IT, NL, ES, LT
Rationale	On-bill financing reduces upfront costs and mitigates long payback periods by allowing repayments through energy bills, often offset by savings, and linking obligations to the property rather than the individual. This makes energy efficiency renovations, such as heat pumps or insulation, more accessible and attractive.



Example measure from the study: Industry

Name	Financing schemes supporting energy efficiency investments
Description	<ul style="list-style-type: none"> A wide range of national financial support programmes including grants, tax credits, soft loans, and guarantees to incentivise energy efficiency investments. These schemes target SMEs and large companies across sectors.
Geographical Scope	AT, FI, DE, IT, LV, HU, NL, PL, ES
Rationale	Reduces financial barriers to energy efficiency by covering investment costs through direct support or favourable financing conditions.



Conclusions

When Member States look to implement measures, they can use our study as a guide to use as they see fit. This could include:

1. Replicating and implementing the measures in their own MS
2. Taking specific elements that can be adapted and used to improve existing measures within the MS
3. Using the measures as inspiration to create completely new measures for decarbonisation in ETS2 sectors.

It is beneficial for Member States to implement decarbonisation measures as soon as possible to have the largest impact on ETS2 prices and thus on the burden for their population.

Link to the study

The complete study can be downloaded here:

<https://op.europa.eu/en/publication-detail/-/publication/2d8c3aa1-91dd-11f0-97c8-01aa75ed71a1>

Slides with additional information (and more details on more measures):

https://climate.ec.europa.eu/document/download/f4c9623c-cd0d-43a6-b1fc-97507cf78adf_en?filename=ets2_webinar_20251112_presentation_en.pdf



Thank you for your attention!

Do you have any questions?

Your contact person

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Backup slides

Road Transport: Overview of measures

Measure	Addressed field of action	Addressed barriers
Emission based taxes and tolls (bonus-malus). Tax advantages for ZEV and malus for ICEV	Promote uptake of ZEVs	Financial barriers
CO2-based tax deductibility for company cars	Promote uptake of ZEVs	Financial barriers
Price transparency for public charging	Promote uptake of ZEVs	Informational barriers
Reduced and simplified ticket pricing for public transport	Promote modal shift	Financial barriers
On-demand transport (ODT)	Promote modal shift	Structural barriers
Urban transport planning towards modal shift – Superblock Model	Promote modal shift	Structural barriers
Financial incentives for charging infrastructure for heavy-duty vehicles, including grid connection	Promote uptake of ZEVs	Financial barriers
Streamlining and harmonising administrative processes for grid connections public & private charging	Promote uptake of ZEVs	Regulatory barriers
Eurovignette – Truck tolling in favour of ZE HDVs	Promote uptake of ZEVs	Financial barriers

Buildings: Overview of Measures

Measure	Addressed field of action	Addressed barriers
Acting to reduce electricity prices for specific technologies (e.g. heat pumps)	Switch to low carbon heating	Financial barriers
Information about heat pumps and tools	Switch to low carbon heating	Informational barriers
On-bill-financing schemes	Energy demand reduction Switch to low carbon heating	Financial barriers
State guaranteed and interest-free loans for energy efficiency measures	Energy demand reduction	Financial barriers
Energy efficiency information programmes and tools	Energy demand reduction Switch to low carbon heating	Informational barriers
Financing support for building renovation	Energy demand reduction Switch to low carbon heating	Financial barriers
Tax deductions for energy efficiency renovations and renewable heating systems / VAT reductions	Energy demand reduction Switch to low carbon heating	Financial barriers

Industry: Overview of measures

Measure	Addressed field of action	Addressed barriers
Financing schemes supporting energy efficiency investments	Support energy efficiency investment	Financial barriers
Voluntary energy efficiency agreements	Support energy efficiency investment	Financial barriers Regulatory barriers
Energy audits	Support energy efficiency investment	Financial barriers Informational barriers
Provision of external support	Support energy efficiency investment Awareness raising	Informational barriers Financial barriers
National investment funds supporting R&I and demonstration projects	Support low-carbon innovation	Financial barriers Innovation barriers