

Free Allocation Regulation (FAR) EU ETS Public Consultation

Stakeholders Roundtable (In person)

By invitation only

This meeting is under Chatham House Rules/ No press.

Agenda

Date: Wednesday 4 October 2023

Time: 10:30 – 12:30 CEST

Venue: Rue Archimède 61, 1000 Brussels, Belgium

The revised [EU ETS Directive \(EU\) 2023/959](#) was adopted on 10 May 2023 and published in the EU Official Journal six days after. The European Commission now needs to update several regulatory acts for the revised EU ETS to be implemented in 2024. One important update concerns the Free Allocation Regulation (FAR), that sets the rules for the allocation of allowances to those sectors under the risk of carbon leakage.

In the EU ETS, products under the carbon leakage list receive free allocation - at the benchmark level - for free. Following the adoption of the EU Carbon Border Adjustment (CBAM), the free allocation provided to energy intensive selected goods will be gradually phased out and replaced by the CBAM “protection”. The revised FAR is expected to be adopted by the end of 2023.

This meeting is intended as a brainstorming roundtable with a small group of invited stakeholders and policy makers to brainstorm on the upcoming revision of the FAR, in response to the ETS revision/Fit For 55.

10:30

Welcome

- **A. Marcu**, Director of ERCST

10:35

State of play and outline

- **J. F. López**, Manager & Senior Policy Analyst, ERCST

ERCST will present its views before the start of two sessions, each kicked off by a 5-minute initial intervention. Open roundtable discussions will conclude each session.

The topics to be discussed include conditionality on free allocations, link with climate neutrality plans, product benchmark definitions, free allocation phase out for CBAM sectors, review rules for exchangeability of fuel-electricity, etc.

Roundtable

10:45

Challenges in the update of free allocation rules following the EU ETS Directive revision.

- **A. Lorck**, Air Liquide.
- **D. Fraile**, Hydrogen Europe.
- **E. Manigrassi**, European Aluminium.

Followed by a roundtable discussion with participants

11:35

Potential options to consider in the update of free allocation rules following the EU ETS Directive revision.

- **A. Amand**, Sandbag
- **N. Vinck**, EuroAlliages.
- **S. Swinnen**, Essenscia.
- **S. Van den Plas**, Carbon Market Watch.

Followed by a roundtable discussion with participants

12:30

Concluding remarks