EU ETS 2030 Targets

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BloombergNEF

Tightening the cap

Mt

<!-- Left chart legend -->
Base
50% 2024
55% 2024
65% 2024

Mt

<!-- Right chart legend -->
Base
50% 2026
55% 2026
65% 2026
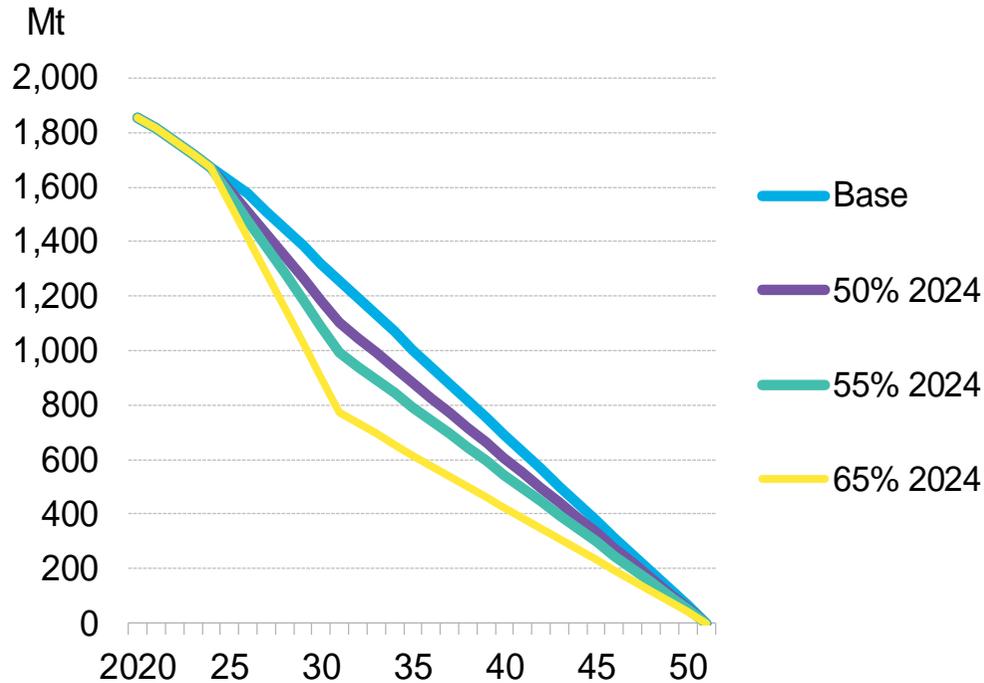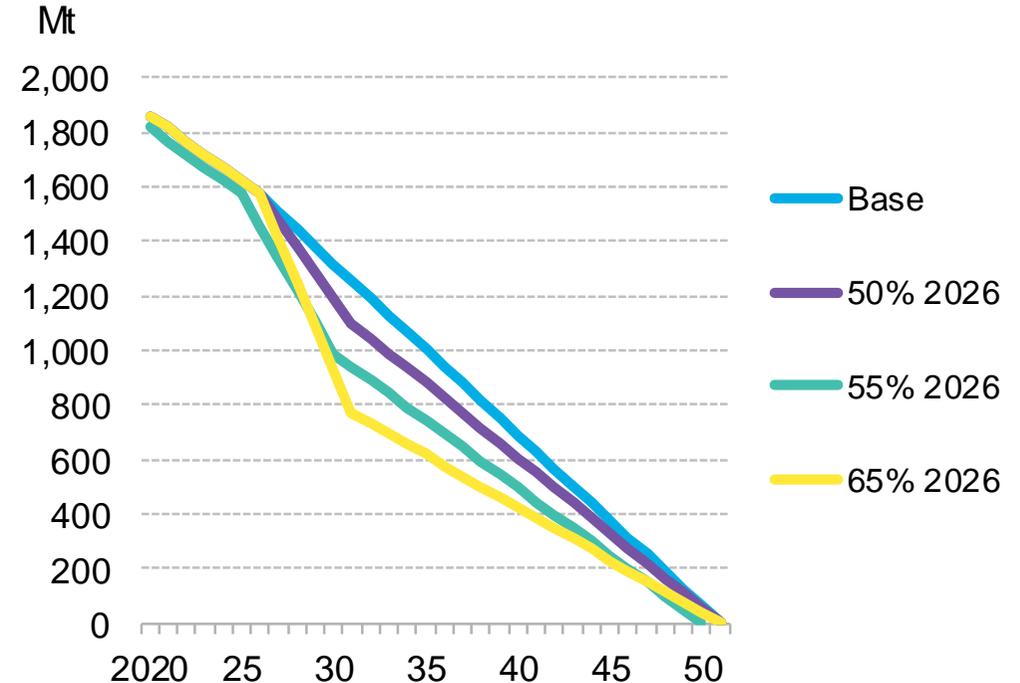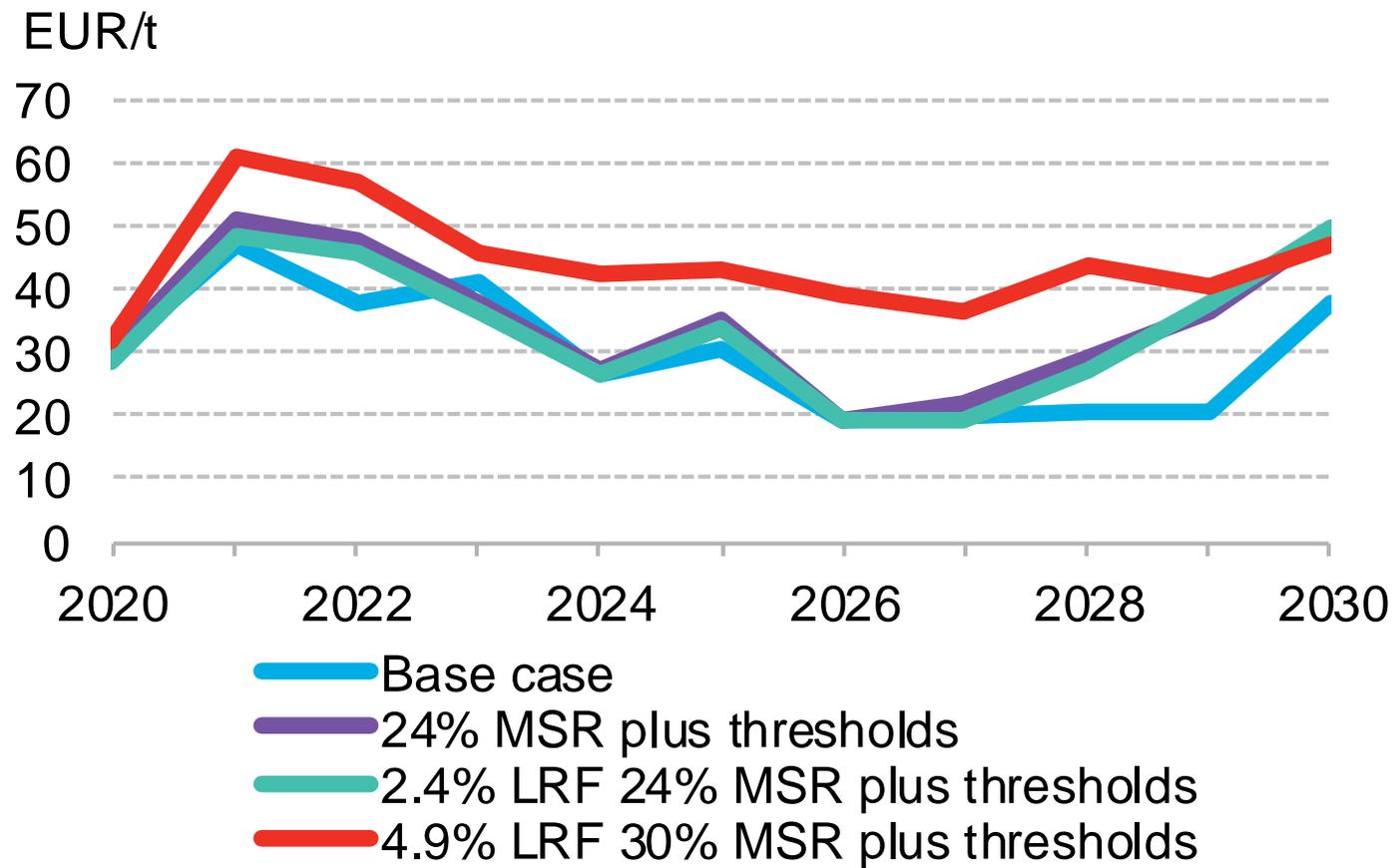
- **Base case:** 43% emission reduction by 2030, translating into a 2.2% LRF
- **2024 amendments:** the three scenarios have an LRF of 3.7%, 4.4% and 5.8%, corresponding to interim 2030 EU ETS emissions reductions targets of 50%, 55% and 65% by 2030.
- **2026 amendments:** the three scenarios have an LRF of 4.3%, 5.3% and 7.3%, corresponding to interim 2030 EU ETS emissions reductions targets of 50%, 55% and 65% by 2030.

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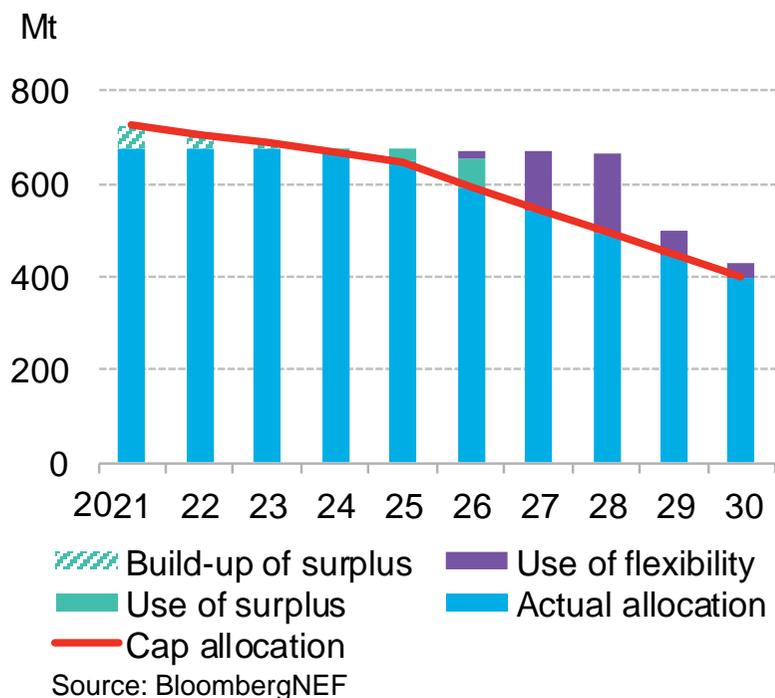# 2030 Cross-sectoral correction factor in different scenarios

2030 emissions reduction target	2024 implementation year: 2030 CSCF		2026 implementation year: 2030 CSCF	
	Conservative scenario	High demand scenario	Conservative scenario	High demand scenario
43% (base)	100%	100%	100%	100%
50%	100%	73%	100%	73%
55%	100%	65%	100%	65%
65%	64%	50%	100%	50%
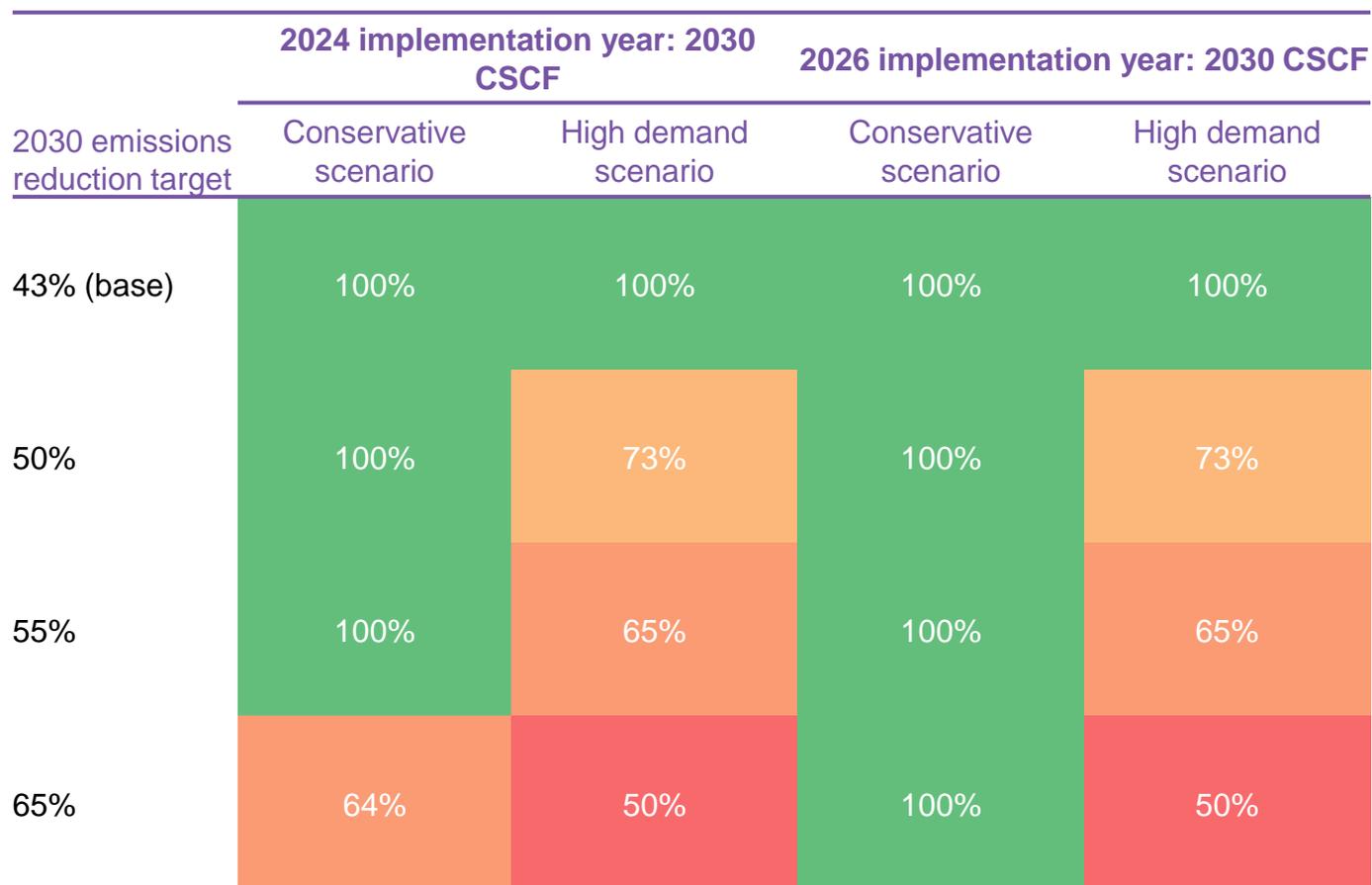
Source: BloombergNEF

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Price impact

EUR/t

Legend:
- Base case
- 24% MSR plus thresholds
- 2.4% LRF 24% MSR plus thresholds
- 4.9% LRF 30% MSR plus thresholds

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Free allocation

Free allocation

Mt

Source: BloombergNEF

- Build-up of surplus
- Use of surplus
- Cap allocation
- Use of flexibility
- Actual allocation

Free allocation surplus and CSCF

Mt

CSCF

Source: BloombergNEF

- Cumulative flexibility available
- Cumulative surplus available
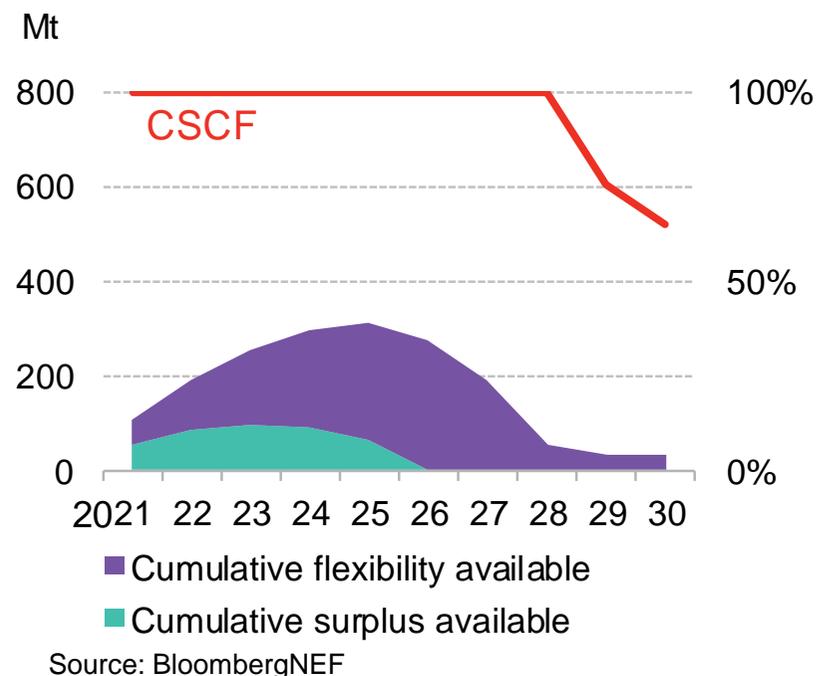
- This scenario represents a world in which the 2030 EU ETS emissions reductions target is raised to 55%, and the linear reduction factor is increased to 5.3% from 2026.

- Free allocation: Benchmarks have been raised, resulting in around 10% more free allocation than the base case until the CSCF is triggered.

- The CSCF is triggered in 2029. All carbon leakage list sectors will get 76% of allocated free allocation in 2029 and 65% in 2030. Cumulative surplus is available until 2026.

- The cumulative flexibility share runs out in 2029. In 2030, only the 3% of the cap that year is available, amounting to 33 million EUAs.

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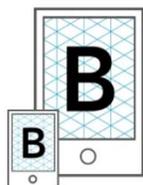
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