

**Brussels, 7 October 2022**

***Municipal waste incineration in the EU ETS***

**Ahead of the upcoming trilogue meeting on 10 October, FEAD reiterates its support to the approach taken by the Council on the** **EU Emissions Trading System (ETS).** The position taken by the European Parliament in June, on the contrary, raised serious [concerns](https://fead.be/position/fead-position-to-the-ep-report-on-the-eu-ets-revision/) among most FEAD members, depending on the national legislative framework in the different MS.

Clarifying its position, **FEAD insists on the following key points**:

* **The impact assessment must be a precondition for such a major change in the sector and must reflect the best options to tackle CO2 emissions from municipal waste incineration in the long-term, considering both climate and circular economy**.
* An ETS system entails a high administrative burden and costs for very limited emissions in total. According to the annual GHG inventories of the European Environmental Agency, the fossil CO2 emissions from WtE plants account for approx. 1% on the overall GHG balance in Europe (constant in the last 10 years). A cost-benefit analysis should consider the impact of the measure considering the ca. 100 million tonnes of residual waste safely treated by WtE plants every year.
* Having an EU-ETS that includes municipal waste incinerators is seen by the European Parliament as the way to ensure a level playing field with national ETS systems already covering this activity. However, this will most probably not result in MS abrogating existing taxation schemes, imposed under the ESR, resulting in a ‘double penalty’ at the citizens/consumers’ costs.
* The Council’s approachensures that the appropriate decision will be taken,especially given the fact that WtE solutions are still avoiding more CO2 emissions than they emit, as shown by a recent [study](https://fead.be/position/co2-study-higher-climate-benefits-thanks-to-the-european-waste-management-sector/) commissioned by FEAD and other partners.
* The positive/adverse impacts of the inclusion of municipal waste incineration under the EU ETS, and on the whole waste management chain, with a comparison with the effects of existing measures under the ESR, need to be addressed in the impact assessment. The effects of a possible inclusion of incineration under the ETSon the level of CO2 emissions, and more generally on circular economy must be quantified. This will allow the right conclusions and necessary information to permeate before taking any legislative decisions, with the right policy instrument to improve separate collection and recycling.

**Peter Kurth, FEAD President**, commented:

***“Any regulatory solution with regards to ETS systems, be they national or European ones, should be addressed in the frame of an EU wide reflection, to avoid distortions in the level playing field across Europe”.***

**Background information:**

EU environment ministers decided on 28 June that the Commission should submit an impact assessment report by the end of 2026, on the feasibility of including WtE installations in the ETS from 2031. This would only be turned into a legislative proposal “if appropriate.”

Read FEAD’s position to the EP Report on the EU ETS revision [here](https://fead.be/position/fead-position-to-the-ep-report-on-the-eu-ets-revision/).

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