WELCOME TO

WASTE AND EMISSIONS TRADING
A CLIMATE POLICY ALIGNED WITH CIRCULARITY?

SCAN FOR
FULL AGENDA

SCAN FOR
POLICY BRIEF

WASTE AND EMISSIONS TRADING: A CLIMATE POLICY ALIGNED WITH CIRCULARITY?

13:00 - 13:15	**Opening remarks. Dr. Ella Stengler**, Managing Director, CEWEP – The Confederation of European Waste-to-Energy Plants
13:15 - 13:25	**Keynote speech. Letizia Moratti,** Member of the European Parliament (European People's Party, EPP), former Mayor of Milan, Italy
13:25 - 15:05	**Panel I: Is the EU ETS fit for Waste-to-Energy?** Moderator: **Charoula Melliou**, Deputy Secretary-General, ESWET – The European Suppliers of Waste-to-Energy Technology This panel will critically assess whether ETS is an appropriate tool for driving decarbonisation in the waste sector, focusing on unintended consequences and feasibility. **Mette Koefoed Quinn**, Deputy Director, Carbon Markets and Clean Mobility, Head of Unit B1, ETS Policy Coordination and International Carbon Markets, European Commission's DG CLIMA **Donatas Petronis**, Managing Director, Gren Klaipeda, Lithuania **Amalia Cerdá Lacaci**, Sustainability Director, TIRME, Spain **Paul De Bruycker**, Chairman of the Board of Directors, Indaver
15:05 - 15:35	Coffee Break
15:35 - 17:15	**Panel II: Beyond ETS – What the policy debate must include** Moderator: **Fabio Poretti**, Scientific and Technical Officer, CEWEP – The Confederation of European Waste-to-Energy Plants A broader look at the policy ecosystem - landfills, plastics, and complementary approaches - to ensure realistic pathways to climate and circularity goals. **Karolina D'Cunha**, Deputy Head of Unit "From Waste to Resources", European Commission's DG Environment **Tobias Persson**, Swedish Environmental Protection Agency **Jacob Hartvig Simonsen**, CEO, Amager Resource Centre (ARC), Denmark **Alessandra Moretti**, Member of the European Parliament (Group of the Progressive Alliance of Socialists and Democrats in the European Parliament), Italy **Vanessa Fakra**, Director Regulatory Affairs, Kanadevia Inova
17:15 - 17:30	**Closing remarks. Patrick Clerens**, Secretary-General, ESWET – The European Suppliers of Waste-to-Energy Technology

Opening Remarks

Dr. Ella Stengler
Managing Director, CEWEP

WASTE & EMISSIONS TRADING

A Climate Policy Aligned with Circularity?

26 March 2026

Residence Palace, Brussels

12:00 - 17:30 CET

followed by cocktail reception

CEWEP

ESWET

Welcome!

Today's Event

Waste-to-Energy (WtE) sector is committed to **decarbonisation.**

Aligned with:

- High environmental standards
- Circular economy
- Energy security

How do we make it happen ?

EU ETS & WtE

How did we get here?

Proposal from the European Commission
14 July 2021

EUROPEAN COMMISSION

Activities	Greenhouse gases
Combustion of fuels in installations with a total rated thermal input exceeding 20 MW (except in installations for the incineration of hazardous or municipal waste)	Carbon dioxide

Municipal and hazardous waste incineration **would remain excluded from the EU ETS** (Annex 1).

European Parliament's adopted text
22 June 2022

*1a. […] from **1 January 2026**, the provisions of this Chapter shall apply to greenhouse gas emissions permits and the allocation and issue of allowances in respect of **municipal waste incineration installations**.*

*1b. **By 31 December 2024**, the Commission shall present a report to the European Parliament and to the Council in which it shall **examine the possible impacts of the inclusion of municipal waste incineration** installations in the EU ETS, on the deviation towards disposal of waste by landfilling in the Union, and on waste exports to third countries.*

*In that report, the Commission shall also **assess the possibility of including in the EU ETS other waste management processes**, in particular landfills which create methane and nitrous oxide emissions in the Union.*

The Commission shall, where appropriate, accompany that report with a legislative proposal, in particular where undercapacity exists, to prevent the impacts referred to in the first subparagraph and to include the processes referred to in the second subparagraph in the EU ETS.

EU Council's adopted text

30 June 2022

*"5. **By 31 December 2026,** the Commission shall submit a **report assessing the impact and feasibility** of a **compulsory inclusion** in the Emissions Trading System under Annex 1 of Directive 2003/87/EC **from 2031 onwards** of installations for the incineration of municipal waste, taking into account relevant criteria such as the effects on the internal market, potential distortions of competition, environmental integrity, alignment with the objectives of the Waste Framework Directive and robustness and accuracy with respect to the **monitoring and calculation of emissions**. The report shall, if appropriate, be accompanied by a legislative proposal to amend this Directive."*

Key takeaways

1. **Binding assessment required before any legislative proposal on including WtE installations**
2. **Extended timeline** (assessment by 2026, inclusion of WtE from 2031 if appropriate)
3. **Monitoring issue**

Revised EU ETS Directive

Published in the Official Journal on 16 May 2023

Binding Impact Assessment:

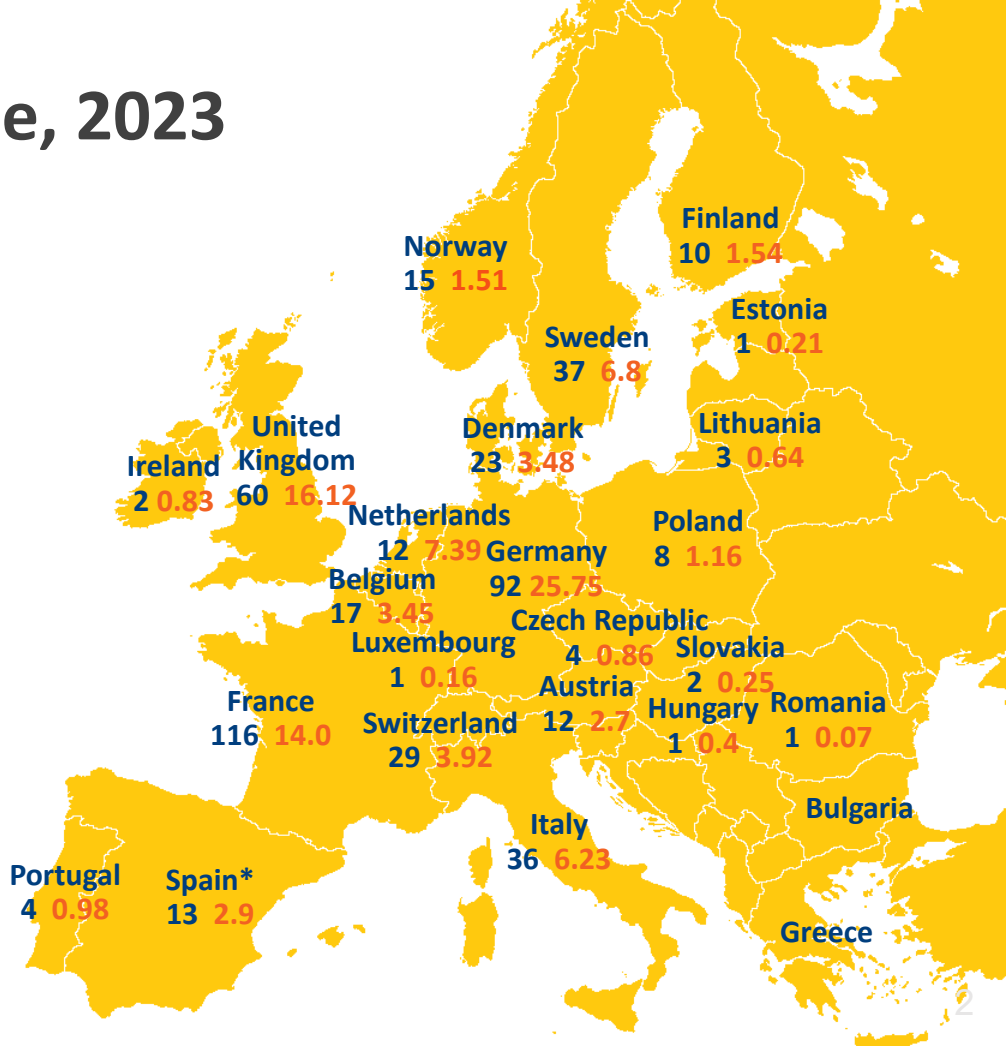
- the Commission will assess and report by 31 July 2026 on the feasibility of including WtE in the EU ETS as from 2028.
- It will also assess the potential need for a possibility for a Member State to opt WtE out until 31 December 2030.

Additional key elements:

- **Monitoring, Reporting and Verifying (MRV)** emissions from municipal waste incineration installations to start on 1 January 2024.
- **Holistic impact assessment**: The impact assessment should also evaluate the possibility of including other waste management processes, such as landfills.

Waste-to-Energy in Europe, 2023

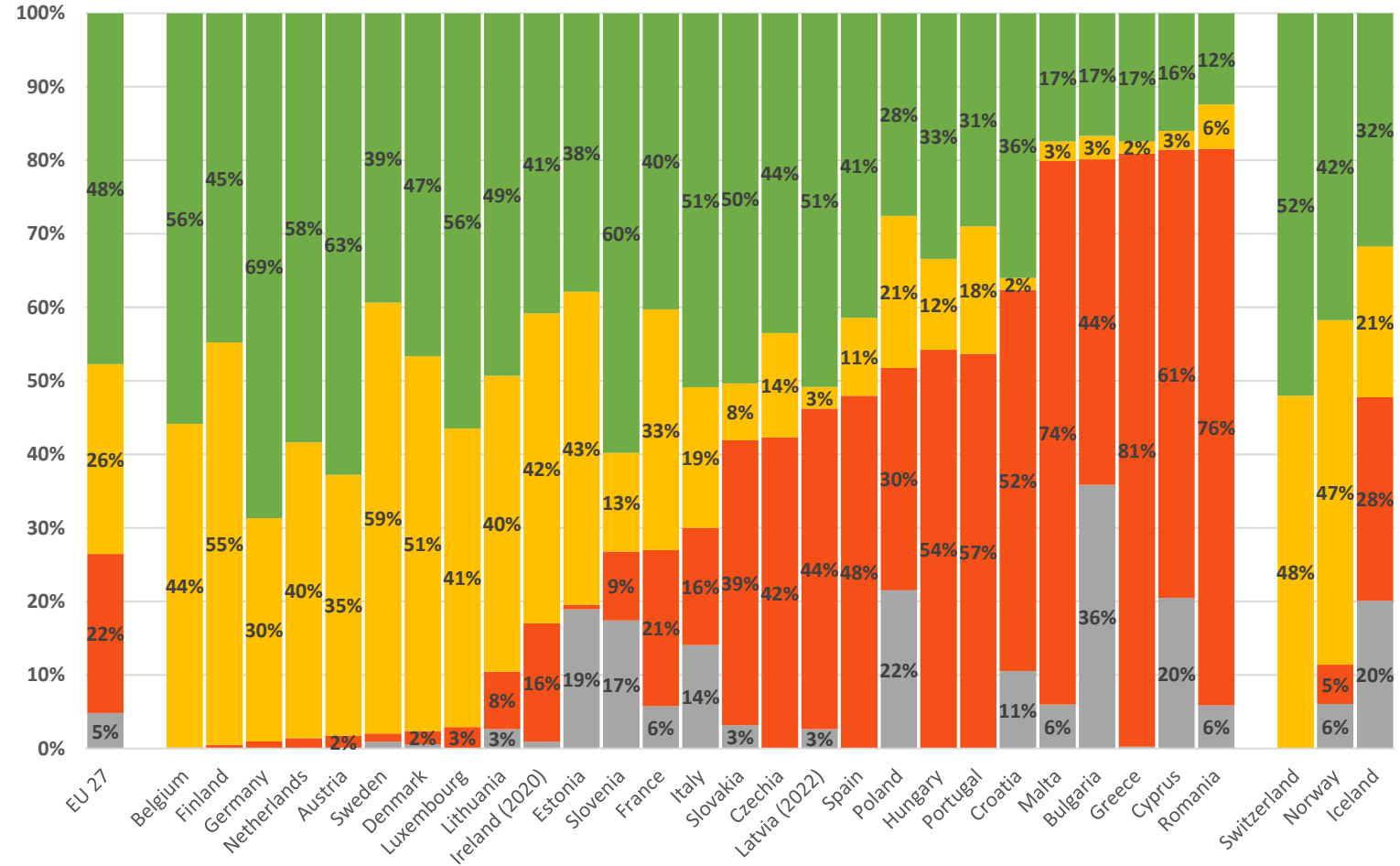
- **Number of WtE Plants operating in Europe : 499**
- **Residual waste thermally treated: 101 M tonnes**



Data supplied by CEWEP members and national sources;
Does not include hazardous waste incineration plants

***: Includes plant in Andorra and SAICA plant**

Municipal waste treatment in 2023



Percentages are calculated based on the municipal waste reported as generated in the country

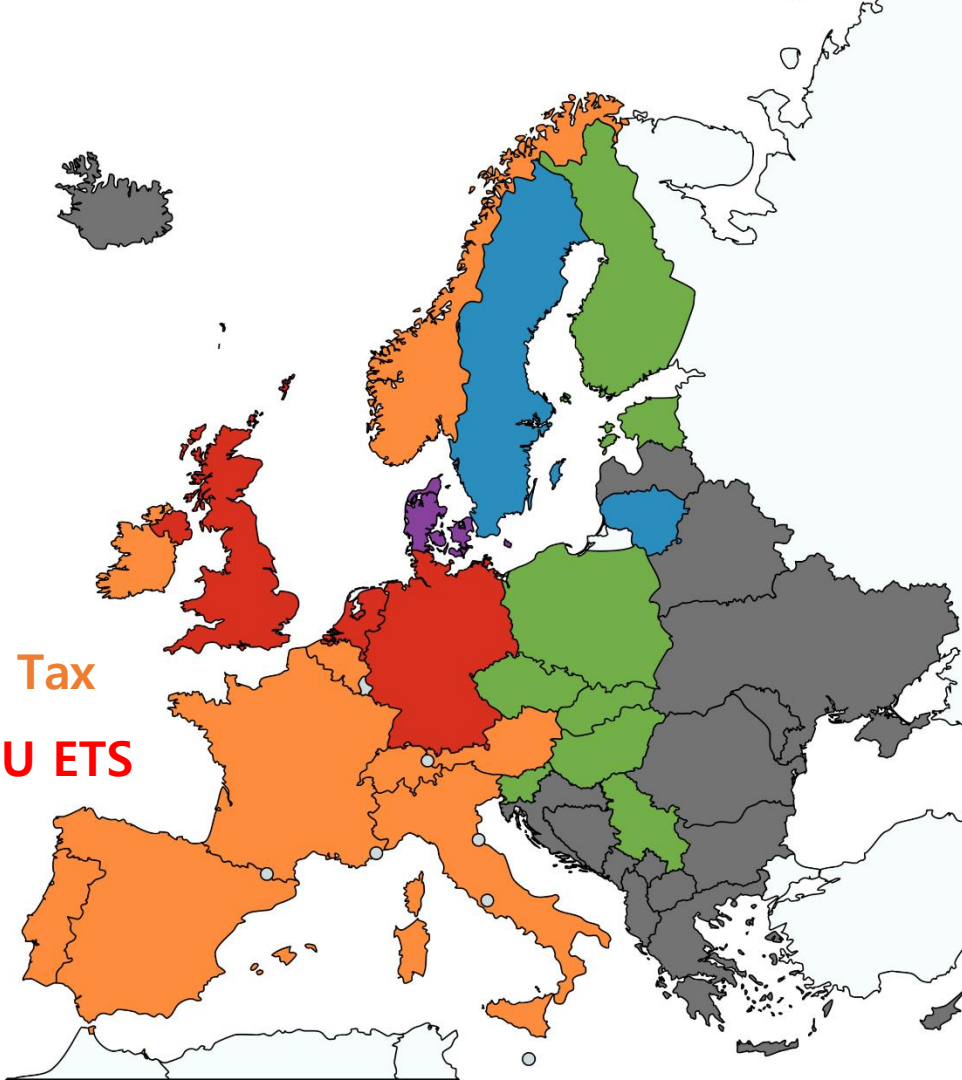
Graph by CEWEP, Source: EUROSTAT

Last update January 2025

National Taxes & EU ETS

Out of the 24 European Countries with WtE plants:

- 2/24 inside the EU ETS
- 1/24 with EU ETS and National Tax
- 9/24 with incineration and/or CO2 Tax
- 3/24 with a national scheme like EU ETS



Version: March2026

CEWEP Internal Impact Assessment

	WtE Mtonnes fossil CO2 (National GHG Inventories)	WtE Mtonnes total waste treated (CEWEP statistics)	EUR per year (Assumption: ETS Price 100 EUR/t)
TOTAL	42.431	81.32	4.2 Bn EUR

Gate fee increase of
***52 EUR/tonne** of waste*
(EU27 average)

Source: CEWEP analysis based on European Environmental Agency (EEA) data + CEWEP data 2021, EU27

Waste & EU ETS

CEWEP & ESWET

Joint Policy Brief

CONFEDERATION OF EUROPEAN
WASTE-TO-ENERGY PLANTS

SCAN FOR
POLICY BRIEF

EUROPEAN SUPPLIERS OF WASTE-TO-ENERGY TECHNOLOGY

IS THE CURRENT EU ETS THE RIGHT TOOL FOR WTE?

1. **Public Service Role**
   WtE fulfills an essential hygienic function — waste should not be treated as a conventional fuel

2. **Risk of Waste Leakage**
   Potential diversion down the waste hierarchy, to lower-standard or illegal routes

3. **System-Wide Impacts**
   Increase social and economic costs across the waste management chain, incl. recycling

4. **Recycling Performance**
   No clear evidence that the inclusion of WtE has a direct correlation with increasing recycling and separate collection rates

5. **“Blacklisting”**
   Potential limits on WtE waste intake (incl. recycling residues with plastics)
   → Where will non-recyclable waste go?

WHAT CAN BE DONE?

1. **Policy Alignment**
   Impact Assessment must interlink Environmental & Climate legislation

2. **CCUS is a concrete vision, but not the silver bullet for the WtE sector**:
   Limitations: Need for space, Time for implementation, Lack of business models, High Costs, Lack of CO2 infrastructure, Lack of a solid regulatory framework, ***Energy penalty,***
   -> financial resources are not dedicated to GHG mitigation in the sector
   -> taxonomy does not help

3. **Steering Effect**
   WtE operators do not determine the composition, volume or carbon content of the waste

4. **Apply Polluter-Pays Principle where it works**
   Plastic producer responsibility for carbon footprint of their products (e.g. EPR Schemes)
   –> effective incentive at source

▷ ***Align carbon accounting (downstream) with shared financial responsibility with the producers (upstream)***

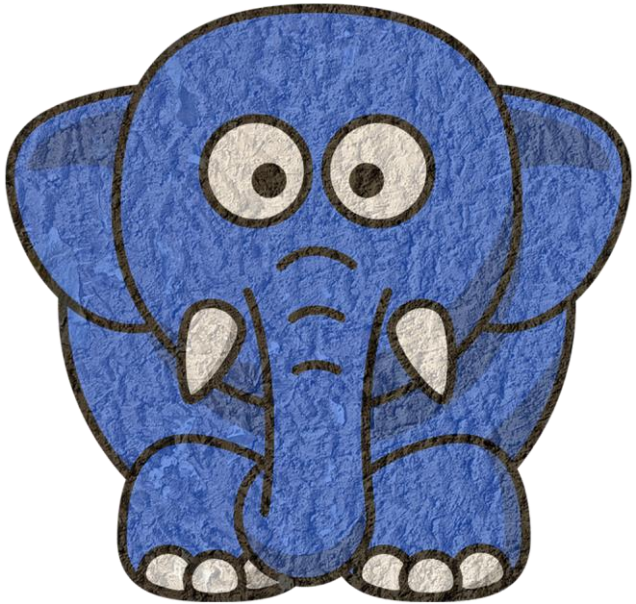
WHAT CAN BE DONE?

KEEPING IN MIND THAT:

- **WtE offsets its fossil CO2 emissions** and contributes to decarbonization targets already today

Source: CEWEP Climate Roadmap:

- **The elephant in the room:** Moving recoverable waste from landfills to **recycling and WtE** cuts methane sharply and delivers far **greater CO_2-equivalent savings** than carbon capture or high CO_2 prices.



1) Is the EU ETS 1, as designed today, the right tool to decarbonise the European Waste Sector ?

1. No, not at all.

2. No, unless it is substantially reformed.

4. Yes and it should have a much higher price signal.

3. Yes, the EU ETS1 works just fine as designed today.

Keynote speech

Letizia Moratti
Member of the European Parliament (European People's Party, EPP)
Former Mayor of Milan, Italy

Is the EU ETS fit for Waste-to-Energy?

Mette Koefoed Quinn

Deputy Director, Carbon Markets and Clean Mobility, Head of Unit B1, ETS Policy Coordination and International Carbon Markets, European Commission's DG CLIMA

Donatas Petronis

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Moderator
Charoula Melliou
Deputy Secretary-General, ESWET – The European Suppliers of Waste-to-Energy Technology

EU ETS Review
waste incineration

CEWEP–ESWET Conference on WtE & EU ETS, 26 March 2026

Mette Quinn, Head of Unit DG CLIMA B1 ETS Policy coordination, international carbon markets

European Commission

Context

- **Staying the course** towards our climate goals and **boosting the competitiveness** of Europe's businesses *(State of the Union, Draghi Report, Competitiveness Compass)*

- Agreement on **2040 climate target** setting the course towards climate neutrality by 2050

- EU **ETS revision** to ensure alignment and continued cost-efficient contribution to the 2040 target

EU ETS Review

- Scheduled for **2026** – shaping the 2031-2040 period to drive industrial decarbonisation and competitiveness
- Guided by the need to continue **delivering the required emission reductions**
- With **more time and flexibility** for industry to transition
- And **opportunity to extend to new sectors**, scale up removals and incentivise more circularity in the economy

Process

Closed

- Stakeholder consultation

Ongoing

- Evaluation
- Impact Assessment

Q3 2026

- Legislative proposal

2026-2028

- Co-decision process

Waste management sector

- 2023 ETS Directive mandates **Commission to assess inclusion of waste management processes** in 2026 review:

> *"[…] it shall assess the feasibility of **including municipal waste incineration installations** in the EU ETS […] the Commission shall also assess the possibility of including **other waste management processes, in particular landfills** […]"* (Article 30(7) ETS Directive)

- Assessment looks at cost-effective emission reduction potential, competitiveness, and contribution to circular economy and waste hierarchy (among others)

Why consider action?

1. **Climate and circular economy goals:** all sectors in the economy need to decarbonise to achieve climate neutrality in 2050, and action is needed at different levels to move up the waste hierarchy

   Trends point in opposite direction: waste incineration emissions are significant and increasing, and reduction, reuse and recycling targets are at risk of being missed

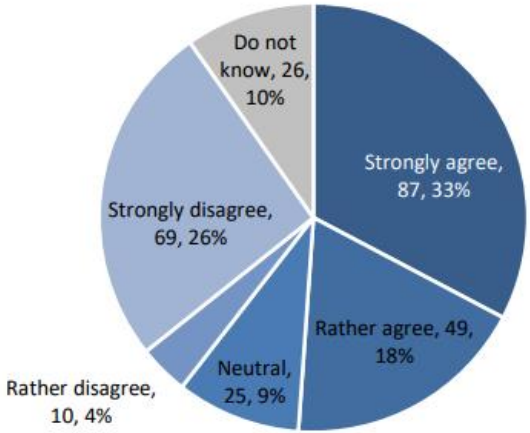
2. **European competitiveness:** fostering carbon removal and CCU uptake, circular economy investment, and sectoral innovation

3. **Level playing field:** current situation leads to competitive distortion between sectors, within incineration sector and between Member States

Public consultation

✓Clear support for inclusion of MWI

Figure 10. Do you agree that MWI installations should be fully included in the EU ETS if possible? (n=266)



State of play

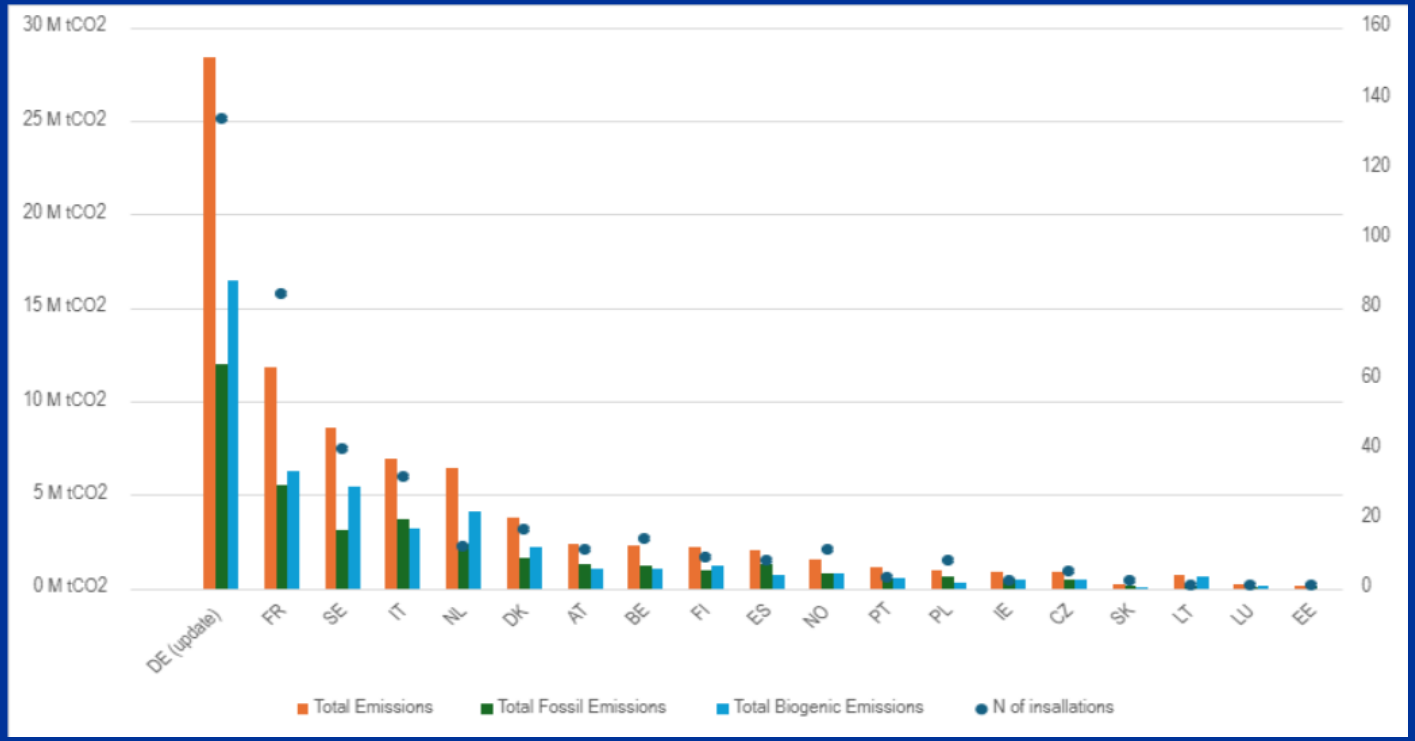
- Municipal waste incineration emissions are currently mainly covered by national policies and measures under the **Effort Sharing Regulation**

- But few Member States have taken action to integrate carbon cost (NL, DK, DE, SE, LT)

- Some emissions already **covered under EU ETS**:
  - ✓ **co-incineration** of municipal waste, e.g. cement kiln or chemical plant
  - ✓ **industrial** waste incineration
  - ✓ municipal waste-to-energy installations in **DK, SE and LT**

Emissions

2024 monitoring and reporting under EU ETS



85 MtCO2e (EEA)

- **Fossil 39.4 MtCO2e (47%)**
- *Biogenic 45.6 MtCO2e (53%)*

Comparative size:

- 2/3 of ETS aviation
- 7th highest of all ETS sectors, if included

Policy options

- **PO1: No inclusion** of additional waste management processes in the EU ETS. Improving legal clarity on current scope.
- **PO2**: Inclusion of **municipal waste incineration** installations in the EU ETS
- **PO3:** Inclusion of **all waste incineration** installations **and landfills** of non-hazardous waste in the EU ETS

Landfill diversion

- **Shared concern, diverging solutions** among stakeholders
- Commission **assessing different options** to ensure appropriate, feasible and effective mechanisms
- **Regulatory policy framework remains key** – with or without carbon pricing
- Evidence shows no sign of landfill diversion, and sharp landfill decreases, where carbon pricing MWI is combined with robust landfill policies:

	Share of municipal waste landfilled (2023)	Landfill emissions (2023)	% change in landfill emissions (2013-2023)
DK	1.7%	0.4 MtCO2e	-64%
SE	1%	0.47 MtCO2e	-15%

Supporting framework

Well-designed carbon pricing and complementary waste policies need to be **mutually reinforcing**:

- **Strengthened circular economy policies** (separate waste collection, Pay-as-you-Throw schemes, market for secondary raw materials and recycling, pre- and post-sorting, landfill regulations …)
- **Producer-oriented policies** to share responsibility upstream (strengthened EPR-schemes, design-for-recycling requirements, lifetime extension, reparability …)
- **Financial tools** to support abatement solutions for operators and circular economy measurers for local authorities

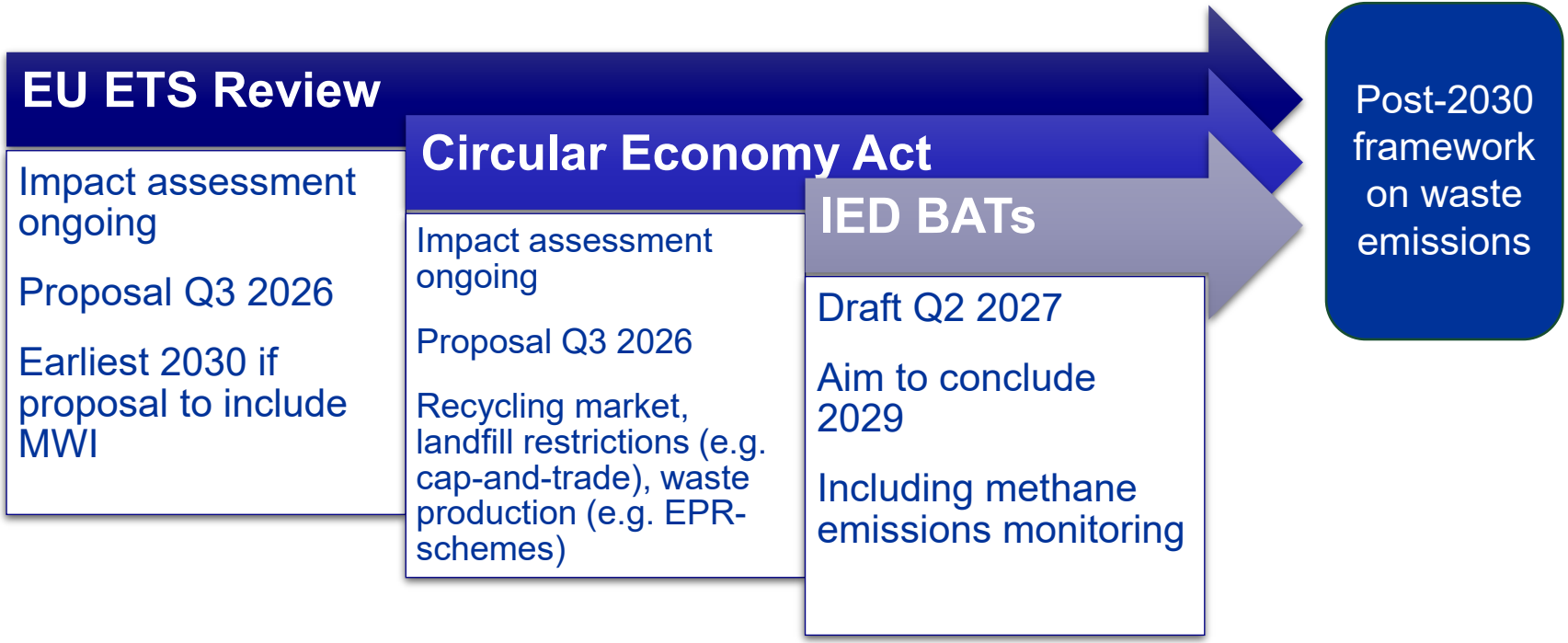
Circular economy measures

Example: ambitious circular economy policies can reduce plastics emissions by 75-84 MtCO2e by 2050 (JRC):

Figure 33. Greenhouse gas emission savings for the plastics sector in the ACES0 scenario and breakdown into the Reduce, Reuse, and Recover clusters. Values expressed in Mt CO_2-eq and relative to BSL50 scenario.

Source: JRC elaboration

Conclusion


EU ETS Review
Impact assessment ongoing
Proposal Q3 2026
Earliest 2030 if proposal to include MWI
Circular Economy Act
Impact assessment ongoing
Proposal Q3 2026
Recycling market, landfill restrictions (e.g. cap-and-trade), waste production (e.g. EPR-schemes)
IED BATs
Draft Q2 2027
Aim to conclude 2029
Including methane emissions monitoring
Post-2030 framework on waste emissions

Thank you

Cost-effective abatement pathways

- Cost passthrough incentivizing **waste prevention and reduction at source**, pre- and post-collection sorting and increased recycling of waste
- Mixed waste sorting, process optimization and fuel switch.
- **Carbon capture** with generation of biogenic **carbon removals** in installations

2) Will the inclusion of Waste-to-Energy plants in the EU ETS increase recycling and separate collection rates?

1. No, on the opposite this could penalise recycling.
46%

2. Difficult to say, a direct correlation cannot be proven today
28%

4. Absolutely, the ETS can be a tool to boost recycling and separate collection in Europe.
19%

3. Yes, with a slight steering effect.
7%

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Beyond ETS – What the policy debate must include

Tobias Persson

Swedish Environmental Protection Agency

Jacob Hartvig Simonsen

CEO, Amager Resource Centre (ARC), Denmark

Alessandra Moretti

Member of the European Parliament (Group of the Progressive Alliance of Socialists and Democrats in the European Parliament), Italy

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Karolina D'Cunha

Deputy Head of Unit "From Waste to Resources", European Commission's DG ENV

Moderator
Fabio Poretti
Scientific and Technical Officer, CEWEP – The Confederation of European Waste-to-Energy Plants

3) Should a mechanism at EU level link the CO2 costs for WtE with the production of virgin, fossil-based materials upstream (e.g. non-recyclable plastics)?

1. Yes, this mechanism should be established at EU level.

89%

3. No, CO2 costs should be reflected by WtE plants to the gate fees only.

5%

2. Yes, this mechanism should be established but at Member States level.

3%

4. No, on a Polluter-Pays-Principle WtE plants are solely responsible for fossil CO2 emissions.

3%

Closing Remarks

Patrick Clerens
Secretary-General, ESWET

4) Is the EU ETS 1, as designed today, the right tool to decarbonise the European Waste Sector?

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