

3 MYTHS ABOUT THE EU ETS

A teal-colored map of Europe, showing the outlines of the continent and its major islands, positioned to the right of the main title.

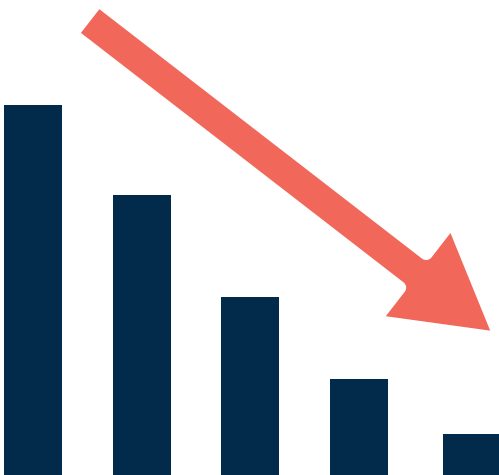
*Setting the record straight on
Europe's Emission Trading System*



Myth #1



The ETS undermines European industry's competitiveness on global markets.

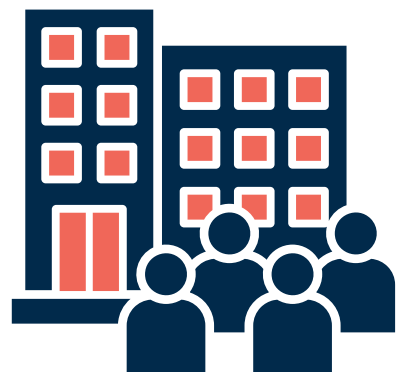


Reality



150+

companies and investors warned that **weakening the ETS is a blow to Europe's industrial future.**



The ETS rewards efficiency and low-carbon innovation. Paired with CBAM, clean production becomes a condition for market access. **ETS revenues are reinvested into the technologies and infrastructure European industry needs to lead globally.** Industry itself has said this loud and clear.



The ETS does not threaten European competitiveness. It is its best chance.

Myth #2



In times of geopolitical crisis, carbon pricing is a luxury we cannot afford.



Reality



**22€
BILLION**

added to Europe's fossil fuel import bill in the first **44 days** of the war in Iran – for zero extra energy delivered.



By incentivising renewable energy uptake, the ETS makes Europe less – not more – vulnerable to energy crises.

Decarbonisation is the solution to the energy crisis, not the cause to it. **Europe imports 86% of its gas**. Geopolitical shocks that affect energy supplies directly impact European energy bills. The ETS contributes to making investing in domestic, renewable energy economically attractive for industry. **Weakening it prolongs that dependency, supporting it makes Europe resilient and energy secure.**

Myth #3



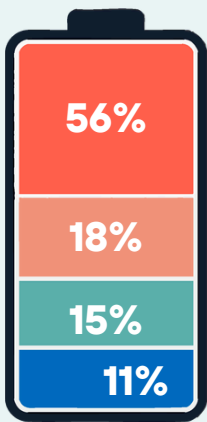
The ETS is making electricity bills go up.

Reality



Italy and Spain are subject to the same carbon price and yet the whole sale electricity price is **more than double in Italy than in Spain.**

WHAT IS ACTUALLY IN YOUR ELECTRICITY BILL?



- Generation (gas linked)
- Grid Charges
- Taxes and levies
- Carbon costs



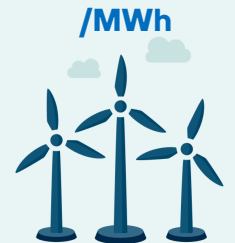
ITALY

WHOLESALE PRICE
132.52€



SPAIN

WHOLESALE PRICE
56.95€



Cutting the 11% ETS component would actually increase gas's impact on the 56% component.¹ This is how: A weaker ETS means lower investments in renewables. This means more gas remaining in the generation mix, hence setting the electricity price more often. As gas is typically the most expensive marginal source of electricity, electricity prices would more often be set by the cost of gas, keeping the largest component of electricity bills elevated.

¹As of June 2026 <https://ember-energy.org/data/european-electricity-prices-and-costs/>



Because of the way electricity prices are set in Europe, it is fossil fuel prices that drives energy bills up, not the ETS. The ETS brings them down.