



2025/772

22.4.2025

COMMISSION IMPLEMENTING REGULATION (EU) 2025/772

of 16 April 2025

amending and correcting Implementing Regulation (EU) 2019/1842 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for the adjustments to free allocation of emission allowances due to activity level changes

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC ⁽¹⁾, and in particular Article 10a(21) thereof,

Whereas:

- (1) Directive 2003/87/EC was amended by Directive (EU) 2023/959 of the European Parliament and of the Council ⁽²⁾ to align it with Regulation (EU) 2021/1119 of the European Parliament and of the Council ⁽³⁾ setting a target of at least 55 % net emission reductions by 2030 compared to 1990. In line with the revision of Directive 2003/87/EC, Commission Delegated Regulation (EU) 2019/331 ⁽⁴⁾ determining transitional Union-wide rules for harmonised free allocation of emission allowances was amended by Commission Delegated Regulation (EU) 2024/873 ⁽⁵⁾. The amendments to Directive 2003/87/EC and of Delegated Regulation (EU) 2019/331 also concern adjustments to free allocation of emission allowances due to activity level changes and require changes to Commission Implementing Regulation (EU) 2019/1842 ⁽⁶⁾.
- (2) In order to enhance incentives to reduce emissions and ensure a harmonised implementation across Member States of the provisions concerning improved or reduced energy efficiency, it is necessary to clarify the rules and methodologies related to the adjustment of free allocation of allowances for heat benchmark sub-installations and fuel benchmark sub-installations while ensuring a level playing field for different heat supply structures using energy from both eligible and non-eligible origins. To incentivise the reduction of process emissions not covered by product benchmarks the same provisions should also apply to process emissions sub-installations. For those sub-installations the adjustment of free allocation of allowances should be based on the average of the expected activity level which should be determined in accordance with a common methodology and data for the calculation of the average of the expected activity level should be included in the annual activity level report when the difference between the average activity level and the historical activity level of a sub-installation is more than 15 %.

⁽¹⁾ OJ L 275, 25.10.2003, p. 32, ELI: <http://data.europa.eu/eli/dir/2003/87/oj>.

⁽²⁾ Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, p. 134, ELI: <http://data.europa.eu/eli/dir/2023/959/oj>).

⁽³⁾ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) No 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/1119/oj>).

⁽⁴⁾ Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 59, 27.2.2019, p. 8, ELI: http://data.europa.eu/eli/reg_del/2019/331/oj).

⁽⁵⁾ Commission Delegated Regulation (EU) 2024/873 of 30 January 2024 amending Delegated Regulation (EU) 2019/331 as regards transitional Union-wide rules for harmonised free allocation of emission allowances (OJ L, 2024/873, 4.4.2024, ELI: http://data.europa.eu/eli/reg_del/2024/873/oj).

⁽⁶⁾ Commission Implementing Regulation (EU) 2019/1842 of 31 October 2019 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for the adjustments to free allocation of emission allowances due to activity level changes (OJ L 282, 4.11.2019, p. 20, ELI: http://data.europa.eu/eli/reg_impl/2019/1842/oj).

- (3) To ensure the continued availability of annually reported data required for the adjustments to free allocation, the information on the reporting years should be updated.
- (4) Directive (EU) 2023/959 introduced changes to the compliance cycle in order to better take into account the adjustments to free allocation. As the time limit for competent authorities to grant free allocation changed from 28 February to 30 June, the requirement to submit a preliminary activity level report is no longer necessary, and therefore should no longer apply.
- (5) In order to avoid unjustified allocation of allowances, Implementing Regulation (EU) 2019/1842 provides that the competent authority may suspend the issuance of allowances until it is unequivocally clear that the allocation to the installation does not have to be adjusted in accordance with that Regulation. The suspension of the issuance of allowances should be mandatory if there is no verified annual activity level report available or if that report is not verified as satisfactory pursuant to Commission Implementing Regulation (EU) 2018/2067 ⁽⁷⁾.
- (6) Installations operated by enterprises that are required to carry out an energy audit or to implement a certified energy management system in accordance with Article 8 of Directive 2012/27/EU of the European Parliament and of the Council ⁽⁸⁾, and therefore subject to a 20 % reduction in free allocation if they could not demonstrate during the verification of baseline data report that the implementation of energy efficiency recommendations from those audits or management systems was completed or that exceptions to the conditionality on energy efficiency measures applied pursuant to Article 22a(1) of Delegated Regulation (EU) 2019/331, should have the opportunity to demonstrate subsequent implementation of energy efficiency recommendations. To increase legal certainty and ensure robustness of the system, the operator should provide verified evidence as part of the activity level report, demonstrating that the outstanding implementation of the recommendations is completed or that equivalent measures apply. Following the competent authority's decision that the conditions specified in Article 22a(1), second subparagraph of Delegated Regulation (EU) 2019/331 have been met, the operator should receive each year the full amount of allowances for the remaining years in the allocation period.
- (7) Procedural steps of conditionality rules regarding climate-neutrality plans are specified in Article 22b of Delegated Regulation (EU) 2019/331 in accordance with Article 10a(1), fifth subparagraph, and Article 10b(4), second, third and fourth subparagraphs, of Directive 2003/87/EC, for operators of installations whose greenhouse gas emission levels are higher than the 80th percentile of emission levels for the relevant product benchmarks, and for operators of district heating in certain Member States applying for optional additional free allocation. To provide a structured way of reporting on intermediate targets and milestones achieved and to facilitate the verification of achievement of those targets and milestones in accordance with Directive 2003/87/EC, it is necessary to require these operators to draft a climate-neutrality report. In order to complete the climate-neutrality report, operators should use the template developed by the Commission unless a national specific template is prescribed by the Member State concerned.
- (8) To receive the full amount or the additional free allocation, operators of installations whose greenhouse gas emission levels are higher than the 80th percentile of emission levels for the relevant product benchmarks and operators of district heating installations in certain Member States need to fulfil the conditions laid down in Article 22b(1), second subparagraph of Delegated Regulation (EU) 2019/331 and to demonstrate the achievement of intermediate targets and milestones in the verified climate-neutrality report.
- (9) In accordance with Article 10b(4) of Directive 2003/87/EC and Article 22b(3) of Delegated Regulation (EU) 2019/331, the provision of additional free allocation is to be contingent upon the recipient district heating installations making equivalent investments towards reaching climate neutrality as well as these installations meeting the targets and milestones referred to in Article 10b(4), third subparagraph, point (b), of

⁽⁷⁾ Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L 334, 31.12.2018, p. 94, ELI: http://data.europa.eu/eli/reg_impl/2018/2067/oj).

⁽⁸⁾ Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1, ELI: <http://data.europa.eu/eli/dir/2012/27/oj>).

Directive 2003/87/EC. To enable district heating installations to make the necessary investments, free additional allocation should be granted as soon as documentary evidence of the legal commitment for the investments is provided. As documentary evidence of the legal commitment for the investment, an operator should demonstrate commitment to invest or the investment made; this should include legally binding commitments, such as a contract, or other demonstrable evidence of financial commitments related to future investments. The granting of additional free allowances upon the acceptance of the evidence of the commitment, will incentivise technological advancements and ensure that the benefits of additional free allocation directly contribute to the reduction of greenhouse gas emissions linked to district heating. To establish a counterbalance to the allocation of additional allowances in advance and to ensure that the investment effort is not merely a commitment but materialises into concrete actions, the additional 30 % allowances should be returned if the conditions are not fulfilled for their granting and any further free allocation of allowances should cease until the return of the allowances.

- (10) To avoid undue administrative burden while aligning production changes to free allocation, the minimum number of allowances required for adjustments to the free allocation of a sub-installation should be increased from 100 to 300.
- (11) To avoid unjustified free allocation to sub-installations that no longer operate, no free allocation should be granted for the proportion of the calendar year after the day of cessation of operations.
- (12) From 1 January 2026, Directive (EU) 2023/959 removed the concept of electricity generators and their specific treatment in terms of free allocation from the EU ETS. Changes to this parameter should therefore no longer apply for the determination of adjustments to the free allocation of allowances.
- (13) To support a uniform and accurate application of rules and methodologies and a comprehensive and effective monitoring of activity levels, it is necessary that competent authorities submit to the Commission the data related to the revised final annual amount of emission allowances allocated free of charge to installations with expected changes to their activity levels and the data from all installations subject to the annual activity level reporting obligation.
- (14) To avoid undue administrative burden and to simplify the transition to the next allocation period, this Regulation should apply to the allocations relating to the period starting from 1 January 2026, thereby ensuring alignment with the application of Delegated Regulation (EU) 2024/873 as regards the rules for the baseline data reporting for the next allocation period.
- (15) Article 3(2), second subparagraph, of Implementing Regulation (EU) 2019/1842 contains errors concerning additional parameters which the competent authority may require operators to report in the activity level report. For clarity those errors should be corrected.
- (16) The measures provided for in this Regulation are in accordance with the opinion of the Climate Change Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) 2019/1842 is amended as follows:

- (1) Article 2 is amended as follows:
 - (a) the following point (1a) is inserted:
 - ‘(1a) “average of the expected activity level” means for each sub-installation, the arithmetic mean of the related annual expected activity levels, determined based on the method set out in Annex I, for the two calendar years preceding the submission of the report referred to in Article 3(1);’;

(b) the following point (4a) is inserted:

‘(4a) “process emissions sub-installation” means process emissions sub-installation as defined in Article 2(10) of Delegated Regulation (EU) 2019/331;’

(2) Article 3 is amended as follows:

(a) in paragraph 1, the first subparagraph, the second sentence is replaced by the following:

‘In 2021 and in 2026, this report shall include data for the two years preceding its submission.’;

(b) paragraph 3 is amended as follows:

(i) in the first subparagraph, the first sentence is replaced by the following:

‘The activity level report shall be submitted by 31 March of each year, to the competent authority granting the free allocation, unless the competent authority has set an earlier time limit for this submission.’;

(ii) the second subparagraph is deleted;

(iii) the third subparagraph is replaced by the following:

‘The competent authority may suspend the issuance of free emission allowances to an installation until the competent authority has established that there is no requirement to adjust the allocation to that installation or the Commission has adopted a Decision in accordance with Article 23(4) of Delegated Regulation (EU) 2019/331 concerning the adjustments to the allocation to that installation.

The competent authority shall suspend the issuance of free emission allowances in any of the following situations:

(a) no verified activity level report has been submitted by the operator;

(b) the verification report of the activity level report contains an opinion statement referred to in point (b), (c) or (d) of Article 27(1), first subparagraph, of Implementing Regulation (EU) 2018/2067.

Any suspension of the allocation of allowances in accordance with the third subparagraph of this paragraph shall remain until the competent authority has established that there is no requirement to adjust the allocation to that installation or the Commission has adopted a Decision in accordance with Article 23(4) of Delegated Regulation (EU) 2019/331 concerning the adjustments to the allocation to that installation.’;

(c) paragraph 4 is amended as follows:

(i) in the first subparagraph, point (a) is deleted;

(ii) the second subparagraph is deleted;

(3) the following Articles are inserted:

‘Article 3a

Recovery of allowances reduced in accordance with Article 22a of Delegated Regulation (EU) 2019/331

1. Where the final annual amount of emission allowances allocated free of charge has been reduced in accordance with Article 22a of Delegated Regulation (EU) 2019/331, the operator may recover the reduced allowances provided that the operator demonstrates to the satisfaction of the competent authority that one of the following conditions has been met:

(a) all outstanding recommendations from energy efficiency audits or certified energy management systems referred to in Article 22a(1) of Delegated Regulation (EU) 2019/331 have been implemented and the verifier has confirmed during the verification of the annual activity level report that the implementation of these recommendations has been completed;

- (b) other measures have been implemented during or after the relevant baseline period which lead to greenhouse gas emission reductions within the installation equivalent to those recommended by the energy audit report or the certified energy management system referred to in Article 22a(1) of Delegated Regulation (EU) 2019/331 and the verifier has confirmed during the verification of the annual activity level report that the implementation of these measures has been completed and that these equivalent greenhouse gas emission reductions have been achieved.

2. Where the operator wishes to recover the reduced allowances in accordance with paragraph 1, the operator shall submit a request to recover the reduced allowances to the competent authority as part of the verified activity level report referred to in Article 3(3), first subparagraph. The competent authority shall assess the request and decide whether the conditions referred to in paragraph 1 have been met.

Where the competent authority decides that the conditions referred to in paragraph 1 have been met and the Commission has adopted a Decision in accordance with Article 23(4) of Delegated Regulation (EU) 2019/331 concerning the adjustments to the allocation to that installation, the operator shall receive each year the full amount of allowances for the remaining years in the allocation period starting from the year of the submission of the request to recover the reduced allowances.

Article 3b

Climate-neutrality report

1. Operators of installations that have submitted a climate-neutrality plan in accordance with Article 22b of Delegated Regulation (EU) 2019/331 shall draft a climate-neutrality report which shall contain the information listed in Annex II to this Regulation.

2. Operators referred to in paragraph 1 shall submit the climate-neutrality report and the corresponding verification report in accordance with Implementing Regulation (EU) 2018/2067 to the competent authority by 31 March 2026 in respect of the period until 31 December 2025 and by 31 March of each fifth year thereafter in respect of the preceding five-year period.

By derogation from the first subparagraph, the competent authority may set an earlier time limit for the submission of the climate-neutrality report and the corresponding verification report.

3. The Commission shall make available an electronic template or a specific file format for providing the information as specified in Annex II.

4. When drafting the climate-neutrality report, operators shall use the electronic template or specific file format referred to in paragraph 3.

5. By way of derogation from paragraphs 3 and 4, Member States may require operators to use electronic templates or specific file formats developed by those Member States for establishing and submitting climate-neutrality reports in accordance with delegated acts adopted pursuant to Article 10a(1), first subparagraph, of Directive 2003/87/EC.

Article 3c

Allocation of allowances reduced in accordance with Article 22b(1) of Delegated Regulation (EU) 2019/331

1. Where the conditions laid down in Article 22b(1), second subparagraph, of Delegated Regulation (EU) 2019/331 have been met, after the reduction of allowances in accordance with the first subparagraph of that Article, the reduced allowances shall be allocated for each year in the applicable allocation period.

2. For the purposes of paragraph 1, the condition laid down in Article 22b(1), second subparagraph, point (b), of Delegated Regulation (EU) 2019/331 shall be met if all of the following applies:

- (a) the operator has submitted a verified climate-neutrality report by 31 March 2026, or by the earlier time limit set by the competent authority, in respect of the period until 31 December 2025 and by 31 March of each fifth year thereafter in respect of the preceding five-year period;

- (b) the climate-neutrality report has been verified as satisfactory in accordance with Implementing Regulation (EU) 2018/2067 and the verifier has confirmed that the milestones and targets laid down in the climate-neutrality plan have been achieved for the relevant five-year period;
- (c) the verified climate-neutrality report complies with Article 3b.

Article 3d

Additional 30 % allowances for district heating

1. For the purposes of increasing the preliminary annual number of emission allowances by 30 % in accordance with Article 22b(3) of Delegated Regulation (EU) 2019/331, operators shall submit to the competent authority documentary evidence of the legal commitment for the investment referred to in Article 22b(3), first subparagraph, point (b), of Delegated Regulation (EU) 2019/331, and documentary evidence that the investment leads to significant emission reductions before 2030.

2. The first time operators may submit the evidence referred to in paragraph 1, is by 31 March 2026 together with the verified climate-neutrality report. Where the conditions laid down in Article 22b(3) of Delegated Regulation (EU) 2019/331 are met in subsequent years, the operator shall submit the evidence referred to in paragraph 1 by 31 March of the relevant year together with the verified annual activity level report.

By derogation from the first subparagraph the competent authority may set an earlier time limit for the submission of the evidence and the verified climate-neutrality report.

3. The competent authority shall assess the evidence referred to in paragraph 1 and the verified climate neutrality report. On the basis of that assessment, the competent authority shall decide whether the conditions for increasing the preliminary annual number of emission allowances laid down in Article 22b(3) of Delegated Regulation (EU) 2019/331 have been met.

4. In order to demonstrate that the condition laid down in Article 22b(3), first subparagraph, point (e), of Delegated Regulation (EU) 2019/331 is met, the operator shall provide all of the following evidence to the competent authority:

- (a) that the operator has submitted a verified climate-neutrality report by 31 March 2026, or by the earlier time limit set by the competent authority, in respect of the period until 31 December 2025 and by 31 March of each fifth year thereafter in respect of the preceding five-year period;
- (b) that the climate-neutrality report has been verified as satisfactory in accordance with Implementing Regulation (EU) 2018/2067 and the verifier has confirmed that the milestones and targets laid down in the climate-neutrality plan have been achieved for the relevant five-year period;
- (c) that the verified climate-neutrality report complies with Article 3b.

5. Where the competent authority made the decision referred to in paragraph 3 during the allocation period, the operator shall receive, in the year in which the competent authority made that decision, the 30 % additional allowances for each of the preceding years in the allocation period. If after the year in which the competent authority made the decision referred to in paragraph 3, there are still years remaining in the relevant allocation period, the 30 % additional allowances shall be added to the preliminary annual number of emissions allowances to be allocated in accordance with Article 22b(3) of Delegated Regulation (EU) 2019/331.

6. The additional 30 % allowances shall no longer be disbursed if the competent authority or the national accreditation body has established that the climate-neutrality report was not verified in accordance with Implementing Regulation (EU) 2018/2067.

7. The operator shall return the additional 30 % allowances without delay in any of the following cases:

- (a) the achievement of the targets and milestones referred to in Article 10b(4), third subparagraph, point (b), of Directive 2003/87/EC is not confirmed by the verification carried out in accordance with Article 10b(4), fourth subparagraph, of that Directive;

- (b) an investment value equivalent to the value of that free additional allocation has not been invested to significantly reduce emissions before 2030 in accordance with Article 10b(4), second subparagraph, of Directive 2003/87/EC.

8. If the operator does not return the additional 30 % allowances pursuant to paragraph 7, the competent authority shall request the national registry administrator to no longer distribute the allocation of allowances free of charge to that operator until the additional 30 % allowances have been returned by the operator. Member States shall inform the Commission of any such requests.;

- (4) Article 5 is amended as follows:

- (a) paragraph 1 is replaced by the following:

‘1. Every year the competent authority shall compare the average activity level of each sub-installation, determined in accordance with Article 4, with the historical activity level initially used to determine the free allocation. When the absolute value of the difference between the average activity level and the historical activity level of that sub-installation is more than 15 % of that historical activity level, the free allocation of allowances to that installation shall be adjusted. That adjustment shall apply as of the year following the two calendar years used for determining the average activity level and be made by increasing or decreasing the free allocation for the relevant sub-installation by the exact percentage change in the average activity level compared to the historical activity level initially used to determine the free allocation.

For heat benchmark sub-installations, fuel benchmark sub-installations and process emissions sub-installations the adjustment referred to in the first subparagraph shall be based on the average of the expected activity level. Adjustments for each of those sub-installations shall only be made if the absolute value of the adjustment is more than 15 %;

- (b) the following paragraph is inserted:

‘1a. For the purpose of paragraph 1, second subparagraph, and where the value of the difference referred to in paragraph 1, first subparagraph, is exceeded, the operator shall attribute the relevant amounts of heat, fuel and process emissions to each relevant product in accordance with the methodology set out in Annex I, applying the same methods as for attributing data to sub-installations as set out in Section 3.2 of Annex VII to Delegated Regulation (EU) 2019/331. The operator shall describe the applied methodologies in the monitoring methodology plan as approved in accordance with Article 6 of that Regulation.;

- (c) paragraph 2 is replaced by the following:

‘2. When an adjustment in accordance with paragraph 1 has been made, during an allocation period, further adjustments can only take place if the absolute value of the difference between the average activity level and the historical activity level of that sub-installation, exceeds the nearest 5 % interval, beyond the 15 % change, which caused the previous adjustment of free allocation to that installation, by increasing or decreasing the free allocation for the relevant sub-installation by the exact percentage change in the average activity level compared to the historical activity level initially used to determine the free allocation.

For heat benchmark sub-installations, fuel benchmark sub-installations and process emissions sub-installations the value of the difference referred to in the first subparagraph shall refer to the average of the expected activity level.;

- (d) paragraph 4 is replaced by the following:

‘4. If a sub-installation has ceased operation, it shall not be entitled to the free allocation for the remainder of the calendar year following the day of cessation of operations, on a pro-rata basis, and the free allocation of that sub-installation shall be set to zero as of the year following the cessation of operations.;

(5) Article 6 is amended as follows:

- (a) paragraphs 1, 2 and 3 are deleted;
- (b) paragraph 4 is replaced by the following:

‘4. Where the activity level report submitted pursuant to Article 3 indicates that the rolling average of two years of a parameter listed in Article 16(5), Article 19, 20, or 21 of Delegated Regulation (EU) 2019/331, other than activity levels, has changed by more than 15 % for a sub-installation, compared to the value used to determine the initial level of free allocation, the free allocation of allowances to that installation shall be adjusted, as of the year following the two years used for determining the change of the parameter.

When an adjustment in accordance with the first subparagraph has been made, during an allocation period, further adjustments to a parameter can only take place if the absolute value of the rolling average of the relevant parameter compared to the value used to determine the initial level of free allocation, exceeds the nearest 5 % interval, beyond the 15 % change, which caused the previous adjustment of free allocation to that installation, by increasing or decreasing the free allocation for the relevant sub-installation by the exact percentage change of that comparison.

If the increase or decrease of the rolling average of the two preceding calendar years of the relevant parameter no longer exceeds 15 % compared to the value used to determine the initial level of free allocation of a sub-installation, the free allocation of allowances to that sub-installation shall be equal to the value used to determine the initial level of free allocation, as of the year following the two calendar years used for determining the rolling average.’;

(6) the following Articles are inserted:

‘Article 6a

Absolute threshold for the adjustments

The adjustment to the free allocation of allowances to an installation pursuant to Article 5(1), (2) and (3) and Article 6 shall only be made if the adjustment of the annual preliminary amount of emission allowances allocated for free to the sub-installation is at least 300 emission allowances in the aggregate.

Article 6b

Submission of information to the Commission

The competent authorities shall submit to the Commission the information laid down in Article 3(2) from all activity level reports submitted in accordance with Article 3(1) and (3), without undue delay upon assessment of the reports.’;

- (7) the text set out in Annex I to this Regulation is added as Annex I;
- (8) the text set out in Annex II to this Regulation is added as Annex II.

Article 2

In Article 3(2) of Implementing Regulation (EU) 2019/1842, the second subparagraph is replaced by the following:

‘The competent authority may require operators to also report on any of the additional parameters included in Annex IV to Delegated Regulation (EU) 2019/331 in the activity level report referred to in paragraph 1.’.

Article 3

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply to allocations relating to the period from 1 January 2026.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 16 April 2025.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

‘ANNEX I

Calculation of the expected activity level

For each heat benchmark sub-installation, each fuel benchmark sub-installation and each process emissions sub-installation, the expected activity level shall be determined as follows:

$$AL_{expected,Y} = \sum_i HistEff_i \cdot ProdLevel_{i,Y} + AL_{remaining,Y} \quad \text{Equation 1}$$

whereby:

$AL_{expected,Y}$: the expected activity level of the sub-installation in year Y.

$HistEff_i$: the average historic energy efficiency or the average historic greenhouse gas (GHG) efficiency for each product i produced within the installation covered by each PRODCOM code of the sub-installation under the list referred to in Article 1 of Commission Implementing Regulation (EU) 2022/2552 ⁽¹⁾.

For heat benchmark sub-installations and fuel benchmark sub-installations, the historic energy efficiency shall be determined as the quotient of the relevant amount of heat or fuel used for the production of each product and the amounts of their respective production according to the relevant years used for the historic activity level in the baseline data report. Relevant amounts shall be ensured by also taking into account any import from an installation or other entity not included in the EU ETS or only included for the purposes of Articles 14 and 15 of Directive 2003/87/EC.

For process emissions sub-installations, the historic GHG efficiency shall be determined as the quotient of the process emissions associated with the production of each product and the amounts of their respective production according to the relevant years used for the historic activity level in the baseline data report.

$ProdLevel_{i,Y}$: the production level of each product i produced within the installation in year Y.

$AL_{remaining,Y}$: the remaining amounts of the activity level during year Y, which are not related to the production of the products above, including amounts of the activity level related to the export of heat or the production of new products which have not been produced during the baseline.’

⁽¹⁾ Commission Implementing Regulation (EU) 2022/2552 of 12 December 2022 laying down the technical specifications of data requirements for the detailed topic industrial production statistics establishing the industrial products classification breakdown, pursuant to Regulation (EU) 2019/2152 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) 2020/1197, as regards the coverage of the product classification (OJ L 336, 29.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg_impl/2022/2552/oj).

ANNEX II

ANNEX II

Content of the climate-neutrality report**1. GENERAL INSTALLATION DATA****1.1. Identification of the installation and the operator**

This item shall contain at least the following information:

- (a) name and address of the installation;
- (b) installation identifier used in the Union Registry;
- (c) permit identifier and issue date of the first greenhouse gas emissions permit that was issued to the installation pursuant to Article 6 of Directive 2003/87/EC;
- (d) permit identifier and date of the most recent greenhouse gas emissions permit issued to the installation pursuant to Article 6 of Directive 2003/87/EC;
- (e) name and address of the operator, contact information of an authorised representative and of a primary contact person, if different;
- (f) where the climate-neutrality plan is submitted at company level by the district heating company, the information referred to in points (a) to (e) for each installation linked to and operated by that company and covered by the climate-neutrality plan, including a description of the links with the district heating company.

1.2. Verifier information

This item shall contain at least the following information:

- (a) name and address of the verifier, contact information of an authorised representative and of a primary contact person, if different;
- (b) name of the national accreditation body which accredited the verifier;
- (c) registration number issued by the national accreditation body.

1.3. Relevant data concerning the climate-neutrality plan

This item shall contain at least the following information:

- (a) reference to and version number of the latest climate-neutrality plan accepted by the competent authority including the date from which the version is applicable and the versions of any other climate-neutrality plan relevant for the five-year period to which the intermediate targets and milestones in the report relate to;
- (b) changes to the climate-neutrality plan that occurred in the five-year period to which the intermediate targets and milestones in the report relate to;
- (c) information on whether changes referred to in point (b) have been deemed compliant by the competent authority;
- (d) indication of the relevant five-year period.

2. INFORMATION ON MILESTONES AND TARGETS**2.1. for each milestone listed in the climate-neutrality plan related to the relevant five-year period, and information on whether it has been achieved;**

2.2. specific emission targets achieved related to the relevant five-year period, including the following information:

- (a) targets achieved that are specific to the activity levels of each year of each product benchmark sub-installation or for fall-back sub-installations, relative to the other levels of production, consistent with the units and system boundaries used in the climate-neutrality plan;
- (b) where targets relative to the benchmark values are listed in the climate-neutrality plan in accordance with point 4(b)(ii) of the Annex to Commission Implementing Regulation (EU) 2023/2441 ⁽¹⁾, the targets achieved for the relevant five-year period, that are relative to the benchmark values as laid down in the Annex to Commission Implementing Regulation (EU) 2021/447 ⁽²⁾ for each relevant sub-installation which apply for the relevant baseline period as defined in Article 2, point (14), of Delegated Regulation (EU) 2019/331, expressed as percentage of reduction;
- (c) where absolute emission targets are listed in the climate-neutrality plan in accordance with point 4(c) of the Annex to Implementing Regulation (EU) 2023/2441, the absolute targets achieved for the relevant five-year period.'

⁽¹⁾ Commission Implementing Regulation (EU) 2023/2441 of 31 October 2023 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards the content and format of climate-neutrality plans needed for granting free allocation of emission allowances (OJ L, 2023/2441, 3.11.2023, ELI: http://data.europa.eu/eli/reg_impl/2023/2441/oj).

⁽²⁾ Commission Implementing Regulation (EU) 2021/447 of 12 March 2021 determining revised benchmark values for free allocation of emission allowances for the period from 2021 to 2025 pursuant to Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 87, 15.3.2021, p. 29, ELI: http://data.europa.eu/eli/reg_impl/2021/447/oj).