STOP FOSSIL SUBSIDIES

Discussion paper: Policy options for a framework for the phase out of fossil fuel subsidies in European Union

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Addressing the upcoming Q4 2026 European Commission framework on phasing out fossil fuel subsidies requires balancing climate ambition with legal feasibility, as measures mandating direct subsidy removal touch national fiscal policy and require unanimous Council approval.

As a highly ambitious benchmark, **Option 1**, the "Hard Deadline" approach, is proposed. It introduces a dedicated new regulation setting binding Union-wide phase-out timelines alongside targeted amendments to existing governance legislation. While providing maximum policy ambition and clarity, it carries a high risk of political gridlock due to the Council unanimity requirement.

In contrast, **Option 2**, "Stronger Planning and Reporting," circumvents unanimity by relying on Qualified Majority Voting (QMV) to amend existing Governance and Implementing Regulations. This approach mandates, among others, the setting of national phase-out deadlines and a distinct tracking for fossil fuel subsidies separately from general energy subsidies.

Note: This paper does not cover the recent Commission Implementing Regulation (EU) 2026/1807 of 24 July 2026 amending Implementing Regulation (EU) 2022/2299 as regards new and modified reporting obligations

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Introduction

This brief is a follow-up to the high-level paper *A framework for the phase-out of fossil fuel subsidies in the European Union*, where a general policy and legislative approach is discussed regarding the upcoming (Q4 2026) framework of the Commission on the phase out of fossil fuel subsidies.

What the above-mentioned paper fails to address is that any requirements to actually phase out fossil fuel subsidies (by a certain deadline) would in all likelihood require unanimity in the Council, as it would touch provisions of fiscal nature. Given the failure by the Council to agree on the revision of Energy Taxation Directive tabled in 2021, it seems unwise for the Commission to propose a new regulation on the topic of energy taxation that would require unanimity to pass.

However, **it is equally unwise to expect Member States to phase out fossil fuel subsidies in the absence of a hard deadline,** only relying on more streamlined reporting requirements. Moreover, according to the 8th Environmental Action Programme, the European Union must set "a deadline for the phasing out of fossil fuel subsidies consistent with the ambition of limiting global warming to 1,5 °C". There is currently no suitable legislation that could be amended to insert such a provision. The Governance Regulation (and its implementing Regulation) deal with planning and reporting and not with the setting of policy targets, while the European Climate Law sets an overarching climate target. A dedicated ex-novo instrument would therefore be legally cleaner than retrofitting existing law.

To serve as a highly ambitious benchmark, this discussion paper proposes the introduction of a **new regulation on establishing a framework for the phasing out of fossil fuel subsidies**, also amending (see Figure 1; **Option 1 "Hard Deadline"**):

1. Regulation 2018/1999 on the Governance of the Energy Union and Climate Action (2023) (Governance Regulation);
2. Commission Implementing Regulation laying down rules for the application of Regulation (EU) 2018/1999 as regards the structure, format, technical details and process for the integrated national energy and climate progress reports (2022) (Implementing Regulation)

The amendments to existing legislation contained in Option 1 can be considered as a stand-alone component (**Option 2 "Stronger Planning and Reporting"**), which does not need the overarching new regulation to be effective. Most importantly, the amendments

would require Member States to set phase-out deadlines for fossil fuel subsidies (without imposing a specific Union-deadline). Option 2 is considered the politically viable option.

However, some of the proposed “unanimity-free” provisions in the ex-novo regulation (in red, below) would strengthen the framework if integrated in the Governance regulation.



Figure 1: Option 1 (“Hard Deadline”) encompasses a new regulation and amendments to existing legislation. Option 2 (“Stronger Planning and Reporting”) includes only amendments to existing legislation.

Option 3 “Carbon Pricing the Subsidies Away”

A valid option not elaborated in this brief is the introduction of a regulation requiring the harmonisation of Effective Carbon Rates (ECRs) across sectors across Member States. The regulation would dictate that the ECR for any sector cannot drop below a specified, (rising) Euro-per-tonne baseline.

In this way, the regulation does not order Member States to phase out subsidies. Member States have two options to comply: either remove subsidies or keep the subsidy and introduce an offsetting environmental surcharge to bring the ECR back up to the baseline. Such an approach would also address intra-Union competitiveness concerns. This approach would however need extensive research for the development of a solid proposal and likely still require unanimity in the Council.

The review of the Governance Regulation

The Commission is currently undergoing a review of the Governance Regulation that may completely reform its architecture and restructure the National Energy and Climate Plans. According to the questionnaire prepared in the context of the consultations there are several options under consideration by the Commission.[1]

Given the challenge of foreseeing the final Commission proposal, this brief considers the current text of the Governance Regulation for the sake of simplicity. The proposal here indicated could nonetheless be integrated in the next structure of the Governance Regulation.

Legal basis

This section is adapted from the paper *A framework for the phase-out of fossil fuel subsidies in the European Union* (see Table 1).

[1] Option 1: Continue with the current architecture; Option 2: Shift the architecture's focus from Energy Union-dimensions to economic sectors; Option 3: Maintain the current architecture based on the five Energy Union economic dimensions (Option 1) and complement it with a set of qualitative/quantitative Key Performance Indicators; Option 4: Adopt a sector-based architecture (Option 2) and complement it with the KPI approach indicated under Option 3. As detailed in the consultation questionnaire part of the update of the Governance Regulation.

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Article 191(1) TFEU

It gives the legal basis for environmental measures to achieve the following objectives: preservation, protection and improvement of the environment; protecting human health; prudent use of natural resources; promoting measures to combat climate change. Article 192(1) establishes the ordinary legislative procedure for the achievement of these objectives.

Article 192(2) TFEU

Environmental measures “primarily of a fiscal nature” require unanimity in Council. Since subsidy phase out often touches taxation, this is a constraint for provisions requiring the phase out of subsidies (by a certain date). However, if the legislative approach primarily concerns reporting, deadlines, and planning obligations rather than directly setting tax levels, it can rely on 192(1).

Article 194(2) TFEU

It gives the Union competence to establish measures on energy policy objectives: ensuring functioning of the energy market, security of supply, promoting energy efficiency and renewable energy, and promoting interconnections. A potential constraint is Article 194(2), second sub-paragraph: “Such measures shall not affect a Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply.” This is a limit on Union action, but the Court of Justice has interpreted it narrowly, as the provision must be interpreted in the context of the EU’s international commitments.

Article 114 TFEU

In light of the distortions caused by the presence of fossil fuel subsidies in Member States and their phase out, Article 114 could also be invoked to guarantee the harmonisation necessary to ensure proper functioning of the internal market.

Article 11 TFEU

Finally and more generally, Article 11 TFEU, also called the “integration principle”, mandates that environmental protection principles be integrated across all EU policies and activities.

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Article TFEU	**Option 1 (“Hard Deadline”)** *Ex-novo regulation with phase-out deadlines and amendments to existing legislation for stricter reporting*	**Option 2 (“Stronger Planning and Reporting”)** *Only amendments to existing legislation for stricter reporting and mandating the setting of phase-out deadlines*
Article 191(1)	Yes	Yes
Article 192(2) - unanimity	Yes	No
Article 194(2)	Yes	Yes
Article 114	Optional	Optional
Article 11	Optional	Optional

Table 1: Legal basis per Option.

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Proposed new legislation

The following new piece of legislation is proposed. Provisions that can be integrated into the Governance Regulation are in red.

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework for the phasing out of fossil fuel subsidies and amending Regulation (EU) 2018/1999 as regards national objectives, timelines and reporting requirements for the phase-out of fossil fuel subsidies

Article 1

Subject matter and scope

This Regulation establishes a Union-wide framework for the identification, reporting, and phased removal of fossil fuel subsidies.

Article 2

Definitions

“Subsidy” means a financial contribution by a government or any public body within the territory of a Member State which confers a benefit, according to the WTO definition of subsidy contained in the Agreement on Subsidies and Countervailing Measures.

“Fossil fuel subsidy” means a subsidy supporting directly or indirectly the production, transformation, distribution, or consumption of fossil fuels.

“Effective Carbon Rate” means the net monetary price signal directed at carbon emissions under a certain scope, determined by aggregating the total nominal value of explicit carbon pricing instruments, including carbon taxes and emission allowance prices

under the EU Emissions Trading Systems, and subsequently deducting the total value of all direct and indirect fossil fuel subsidies granted within the same scope.

Article 3

Union-level phase-out deadlines

1. Member States shall ensure a total phase-out of all fossil fuel subsidies no later than [203X], consistent with the Union's objective of limiting global temperature increase to 1.5°C.

2. By way of derogation from paragraph 1, Member States shall phase out subsidies supporting fossil fuel exploration activities and the production of fossil fuels by [12 months after the date of entry into force of this Regulation].

3. The Commission shall, by [24 months after the date of entry into force of this Regulation], publish a roadmap for the phase out of fossil fuel subsidies embedded in Union legislation and the Union budget no later than the deadline set in paragraph 1 of this Article.

A Union deadline for the phasing out of fossil fuel subsidies

It is admittedly challenging to set a Union-wide deadline that takes into account the goal of the Paris Agreement and the necessary timeframes for a smooth phase out that does not put social and economic wellbeing into jeopardy. Some economic sectors are highly dependent on subsidies, and a transition phase towards the full removal of the underlying subsidies will need to be long enough to let economic actors adjust. However, a deadline set in the (mid to late) 2030s should leave ample time for governments, businesses, and citizens to prepare for the phase out of the most difficult subsidies to remove.

To note, all G7 countries and the EU committed to phasing out "inefficient" fossil fuel subsidies by the end of 2025.

Article 4

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National phase-out deadlines and measures

[Article 4 of Regulation 2018/1999 on the Governance of the Energy Union and Climate Action is amended as outlined in the next section below: “Proposed amendments to existing legislation”]

The Commission shall, as part of the European Semester [as part of the country-specific recommendations after the assessment of the draft integrated national energy and climate plans], provide recommendations to Member States on which fossil fuel subsidies should be prioritised for phase out.

Article 5

Standstill policy

1. Member States shall not introduce new fossil fuel subsidies from the date of entry into force of this Regulation.
2. In exceptional circumstances new temporary and targeted measures may be introduced subject to prior Commission approval and a reduction plan leading to its total removal within [12] months of its introduction.

Article 6

Exceptions

1. By way of derogation from the phase-out obligation, a fossil fuel subsidy may be temporarily maintained, after Commission’s approval, after the Union-wide phase-out deadlines as set in Article 3, if:

(a) It is necessary to address energy poverty or ensure affordable energy access, provided that there are no alternative policy options; or

(b) It is necessary to ensure the physical safety of citizens or the remediation of environmental damage caused by fossil fuel activities.

2. Member States shall notify the exception to the Commission and accompany it by a social and environmental impact assessment and an action plan for future phase-out.

3. Approval shall be granted for a maximum of [2] years, renewable only once.

Article 7

Public consultations and communications

1. Without prejudice to the public consultation requirements set out in Article 10 of Regulation (EU) 2018/1999, Member States shall ensure that the preparation of the national phase-out roadmap and the measures referred to in Article 4 are subject to multi-stakeholder consultations.

2. For the purposes of paragraph 1, consultations shall specifically involve civil society, social partners, including trade unions, local authorities, and sectors affected by the removal of fossil fuel subsidies. Member States are encouraged to utilize innovative participation formats, such as citizens' assemblies, to deliberate on the social and economic implications of the phase out.

3. In addition to the information obligations under Article 10(2) of Regulation (EU) 2018/1999, Member States shall conduct dedicated public information campaigns. These campaigns shall communicate the climate and budgetary rationale, the anticipated public health benefits, and the specific compensatory measures available to protected groups.

4. A summary of the consultations and the results of the information campaigns shall be included in the integrated national energy and climate progress reports referred to in Article 17 of Regulation (EU) 2018/1999.

Article 8

Addressing distributional, macroeconomic, and sectorial impacts and competitiveness

1. Member States shall conduct relevant ex-ante distributional, macroeconomic, or sectorial impact assessments before removing subsidies with significant social and economic relevance.

2. Member States shall minimise negative distributional, macroeconomic, or sectorial impacts through the implementation of ad-hoc policies before and during the removal of fossil fuel subsidies.

3. The Commission shall conduct a study on the impact of the Union-wide fossil fuel subsidy phase out on economic sectors whose competitiveness is sensitive to the removal of fossil fuel subsidies, by [12 months after the date of entry into force of this Regulation].

Article 9

Reporting on the amounts of fossil fuel subsidies

[Article 25 of Regulation 2018/1999 on the Governance of the Energy Union and Climate Action is amended as outlined in the next section below: “Amendments to existing legislation”]

1. The Commission shall publish and maintain a publicly accessible database of fossil fuel subsidies in the EU, including their amounts over time and their phase-out dates.

2. The Commission shall report on the implementation of the roadmap referred to in Article 3, paragraph 3, as part of the annual State of the Energy Union report.

Article 10

Reporting on the reinvestment of freed fiscal space

1. Member States shall report under the European Semester [in their integrated national energy and climate progress reports] on how the fiscal resources freed through the phase out of fossil fuel subsidies are redirected, prioritising:

(a) Lowering general fiscal pressure for low-income households and SMEs;

(b) Measures addressing energy poverty;

(c) Investments in clean energy, energy efficiency, industrial decarbonisation, and sustainable infrastructure;

(d) International climate finance.

2. The Commission shall assess, as part of its annual evaluation under the European Semester [in the State of the Energy Union report] the extent to which Member States have redirected fiscal resources from fossil fuel subsidies to the priorities outlined in this Article.

Article 11

Effective Carbon Rates

The Commission (Eurostat), assisted by the Energy Union Committee, shall establish a methodology for the estimation of Effective Carbon Rates (ECR) across economic sectors by [12 months after the date of entry into force of this Regulation]. Member States shall transmit the underlying data required for these calculations. Based on this data, the Commission (Eurostat) shall centralize the production of, and publish, annual EU-wide ECR statistics.

Article 12

Cost of environmental and social externalities

The Commission (Eurostat), assisted by the Energy Union Committee, shall establish a methodology for the estimation of the cost of environmental and social externalities caused by fossil fuel subsidies by [12 months after the date of entry into force of this Regulation]. Member States shall transmit the underlying data required for these calculations. Based on this data, the Commission (Eurostat) shall centralize the production of, and publish, annual EU-wide data on the cost of environmental and social externalities caused by fossil fuel subsidies.

Article 13

Review of the Carbon Border Adjustment Mechanism

The Commission shall conduct a review of the Carbon Border Adjustment Mechanism (CBAM) by [24 months after the date of entry into force of this Regulation]. The review shall encompass how CBAM is adequately addressing the competitiveness impacts of the fossil fuel subsidy phase out in Member States. The review shall take into account the study referred to in Article 8, paragraph 3, of this Regulation.

Article 14

Review of international treaties

The Commission shall conduct a study on the international treaties that may impede the full phase out of fossil fuel subsidies by [12 months after the date of entry into force of this Regulation]. The study shall include possible reform or withdrawal pathways for the international treaties identified by the study.

Article 15

Coordination across Member States

1. The Commission shall facilitate regular exchanges between Member States to address common cross-border, fiscal, and macroeconomic challenges arising from the phase-out of fossil fuel subsidies.
2. The exchanges referred to in paragraph 1 shall take place within the Energy Union Committee established pursuant to Article 44 of Regulation (EU) 2018/1999.

Fossil fuel subsidies and State aid

A significant part of fossil fuel subsidies falls under State aid legislation. A comprehensive framework would need to tackle this as well. This discussion paper does not focus on the reforms needed in this area.

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Proposed amendments to existing legislation

Several amendments to the following pieces of legislation are proposed:

1. Regulation 2018/1999 on the Governance of the Energy Union and Climate Action (2023) (Governance Regulation);
2. Commission Implementing Regulation laying down rules for the application of Regulation (EU) 2018/1999 as regards the structure, format, technical details and process for the integrated national energy and climate progress reports (2022) (Implementing Regulation).

Notably, the proposed amendments would require Member States to have national objectives or plans set to phase out fossil fuel subsidies (see Annex VIII Implementing Regulation) and to set a deadline for the phase out of each fossil fuel subsidy (see Annex XV).

The amendments are highlighted in red.

Context of the amendments

The current text of the Governance regulation and its Implementing Regulation (including Annexes) appear not focused enough to deal with the objective of phasing out fossil fuel subsidies. A close reading of the two texts reveals the following:

1. Fossil fuel subsidies and energy subsidies in general are lumped together, in the phrasing “national objectives to phase out energy subsidies, in particular for fossil fuels.” The decision to put these two together is not immediately clear from a policy perspective, especially since the EU does not have (and did not have) Union-specific policy objectives concerning the phasing out of energy subsidies in general. In the proposed text below, this phrasing is split into a) national objectives, policies, measures and timelines for the phase-out of fossil fuel subsidies; and b) where available, national objectives, policies, measures and timelines for the phase-out of other energy subsidies. This has the advantage of providing policy focus onto the phase out of fossil fuel subsidies and improving planning, reporting and monitoring. This has repercussions in parts of the text across the Governance regulation and the implementing regulation.
2. In Annex I, the General Framework for Integrated National Energy and Climate Plans, the structure of the plans vis-à-vis

fossil fuel subsidies is unclear. For reasons again not immediately clear, national objectives to phase out energy subsidies, which sit under the 'Research, Innovation and Competitiveness" dimension according to Article 4 (Governance Regulation), are not listed under section *2. NATIONAL OBJECTIVES AND TARGETS> 2.5. Dimension research, innovation and competitiveness* > (where they supposedly belong), but under section *3. POLICIES AND MEASURES > 3.1 Dimension decarbonisation > 3.1.3 Other elements of the dimension*. In the proposed text below, this confusing structure is corrected.

3. The structure of the Implementing Regulation is similarly confusing. Article 6, paragraph 2 (Implementing Regulation) deals with the reporting on the progress for the phase out of energy subsidies (i.e. the policy aspect), but Article 12 too is supposedly about reporting on policy and measures for the phase out of energy subsidies, even though the respective Annex then contains at table where to insert subsidy amounts and other technical information about subsidies (i.e. the "amount" aspect). Amounts should not fall under "policy and measures to phase out energy subsidies" but under a dedicated section. To make the reporting clear, the proposed text again splits fossil fuel subsidies and other energy subsidies (also because reporting the former would become mandatory with this proposal). The table in Annex VIII remains substantially unchanged, only doubled. The Table in Annex XV is retitled to "Amounts of fossil fuel subsidies and other energy subsidies". Finally in Article 12 of the Implementing Regulation, it is unclear why Article 17(2), points (a) and (c) of the Governance Regulation are referred to (casting quite a wide net), instead of directly Article 25(d). This is also amended.

(Amended) Regulation 2018/1999 on the Governance of the Energy Union and Climate Action (2023)

[...]

Article 4

National objectives, targets and contributions for the five dimensions of the Energy Union

[...]

Each Member State shall set out in its integrated national energy and climate plan the following main objectives, targets and contributions, as specified in point 2 of section A of Annex I:

[...]

(e) as regards the dimension 'Research, Innovation and Competitiveness':

(1) national objectives and funding targets for public and, where available, private research and innovation relating to the Energy Union, including, where appropriate, a timeframe for when the objectives should be met; reflecting the priorities of the Energy Union Strategy and, where relevant, of the SET-Plan. In setting out its objectives, targets and contributions, the Member State may build upon existing national strategies or plans that are compatible with Union law;

(2) where available, national 2050 objectives related to the promotion of clean energy technologies.

(3) national objectives, policies, measures and timelines for the phase out of fossil fuel subsidies.

(4) where available, national objectives, policies, measures and timelines for the phase out of other energy subsidies.

Article 25

Integrated reporting on research, innovation and competitiveness

Member States shall include in their integrated national energy and climate progress reports information on the implementation of the following objectives and measures:

[...]

(d) national objectives to phase out fossil fuel subsidies and other energy subsidies, ~~in particular for fossil fuels~~;

[...]

ANNEX I

GENERAL FRAMEWORK FOR INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS

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Part 1

General framework

- SECTION A: NATIONAL PLAN > 2. NATIONAL OBJECTIVES AND TARGETS > 2.5. Dimension research, innovation and competitiveness > iv. National policies, timelines and measures for the phase out of fossil fuel subsidies
- Part 1 > SECTION A: NATIONAL PLAN > 2. NATIONAL OBJECTIVES AND TARGETS > 2.5. Dimension research, innovation and competitiveness > v. Where applicable, national policies, timelines and measures planned to phase out other energy subsidies
- ~~Part 1 > SECTION A: NATIONAL PLAN > 3. POLICIES AND MEASURES > 3.1 Dimension decarbonisation > 3.1.3 Other elements of the dimension > iv. Where applicable, national policies, timelines and measures planned to phase out energy subsidies, in particular for fossil fuels~~
- SECTION B: ANALYTICAL BASIS > 4. CURRENT SITUATION AND PROJECTIONS WITH EXISTING POLICIES AND MEASURES > 4.6 Dimension research, innovation, and competitiveness > iv. Description of fossil fuel subsidies ~~energy subsidies, including for fossil fuels~~
- SECTION B: ANALYTICAL BASIS > 4. CURRENT SITUATION AND PROJECTIONS WITH EXISTING POLICIES AND MEASURES > 4.6 Dimension research, innovation, and competitiveness > v. Description of other energy subsidies

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Commission Implementing Regulation laying down rules for the application of Regulation (EU) 2018/1999 as regards the structure, format, technical details and process for the integrated national energy and climate progress reports (2022)

Article 6

Reporting on progress with respect to the research, innovation and competitiveness dimension

2. Member States shall report the information on progress towards the national objectives to phase out fossil fuel subsidies and national objectives to phase out other energy subsidies~~, in particular for fossil fuels,~~ referred to in Article 25(d) of Regulation (EU) 2018/1999 in accordance with the formats set out in Annex VIII to this Regulation.

Article 12

Reporting on the amounts of ~~policies and measures to phase out~~ fossil fuel subsidies and other energy subsidies~~, in particular for fossil fuels~~

Member State shall report on the amounts of fossil fuel subsidies and other energy subsidies referred to in Article 25 (d) ~~policies and measures referred to in Article 17(2), points (a) and (c)~~ of Regulation (EU) 2018/1999 ~~concerning the phasing out of energy subsidies, in particular for fossil fuels,~~ in accordance with the formats set out in Annex XV to this Regulation.

ANNEX VIII

NATIONAL OBJECTIVES TO PHASE OUT FOSSIL FUEL SUBSIDIES AND OTHER ENERGY SUBSIDIES, ~~IN PARTICULAR FOSSIL FUELS~~

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Table 1

Progress towards national objectives to phase out fossil fuel subsidies ~~energy subsidies, in particular for fossil fuels~~ (1)

National objective(s) or plan(s) set to phase out fossil fuel subsidies ~~energy subsidies, in particular for fossil fuels~~	Description	Target year (2)	Milestones (3)	Progress towards target/objective (4)	Steps to ensure phase out does not affect efforts to reduce energy poverty (5)	General comments
M	~~Miap~~ M	~~Miap~~ M	~~Miap~~ M	~~Miap~~ M	~~Miap~~ M	V
National objective/plan 1						
National objective/plan 2						
National objective/plan 3						

Add further rows, as needed						

Notes:

M = mandatory; M_{iap} = mandatory if applicable; V = voluntary

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(1) Member States shall report ~~any~~ objectives to phase-out fossil fuel subsidies and any objectives to phase-out other energy subsidies. Member States ~~should~~ shall indicate in the description column whether the objective has been laid down in legislation and, if applicable, provide the reference to the relevant legislation. ~~If no objectives are set to phase out energy subsidies, Member States shall report on any plans to make a phase out commitment or set a phase out objective. Member States shall include in the description column a short description of these plans, and clarify when such commitments are expected to become effective.~~

(2) Member States shall provide a target year the objective should be achieved.

(3) Member States shall specify any quantitative milestones. For example, 50 % phase out by 2024, 100 % phase out by 2026.

(4) Member States shall report on progress accomplished towards meeting the objective and the milestones, if relevant.

(5) Member States shall report on ~~any~~ the steps taken to ensure the phase outs do not affect efforts to reduce energy poverty. Member States shall provide whether estimates of economic and other impacts of fossil fuel subsidy phase outs on energy poor households have been developed, what policies or measures are in place or proposed to alleviate such impacts (for example support for home energy renovations and high energy efficiency technology, such as electric heat pumps and home insulation).

Table 2

Progress towards national objectives to phase out other energy subsidies (1)

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National objective(s) or plan(s) set to phase out other energy subsidies	Description	Target year (2)	Milestones (3)	Progress towards target/objective (4)	Steps to ensure phase out does not affect efforts to reduce energy poverty (5)	General comments
M	M_{iap}	M_{iap}	M_{iap}	M_{iap}	M_{iap}	V
National objective/plan 1						
National objective/plan 2						
National objective/plan 3						
Add further rows, as needed						

Notes:

M = mandatory; M_{iap} = mandatory if applicable; V = voluntary

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(1) Member States shall report any objectives to phase-out other energy subsidies. Member States should indicate in the description column whether the objective has been laid down in legislation and, if applicable, provide the reference to the relevant legislation.

If no objectives are set to phase out energy subsidies, Member States shall report on any plans to make a phase out commitment or set a phase out objective. Member States shall include in the description column a short description of these plans, and clarify when such commitments are expected to become effective.

(2) Member States shall provide a target year the objective should be achieved.

(3) Member States shall specify any quantitative milestones. For example, 50 % phase out by 2024, 100 % phase out by 2026.

(4) Member States shall report on progress accomplished towards meeting the objective and the milestones, if relevant.

(5) Member States shall report on any steps taken to ensure the phase outs do not affect efforts to reduce energy poverty. Member States shall provide whether estimates of economic and other impacts of fossil fuel subsidy phase outs on energy poor households have been developed, what policies or measures are in place or proposed to alleviate such impacts (for example support for home energy renovations and high energy efficiency technology, such as electric heat pumps and home insulation).

ANNEX XV

~~***POLICIES AND MEASURES TO PHASE OUT ENERGY SUBSIDIES, IN PARTICULAR FOR FOSSIL FUELS***~~

AMOUNTS OF FOSSIL FUEL SUBSIDIES AND OTHER ENERGY SUBSIDIES

Table 1

~~Policies and measures to phase out energy subsidies, in particular for fossil fuels~~

Amounts of fossil fuel subsidies and other energy subsidies

Subsidy for fossil fuel or for other (1)	Name of policy (English)	Name of policy (Local language)	Sector (2)	Purpose (3)	Carrier (4)	Category (5)	Implementation period		Subsidy volumes		
							Start (6)	Finish (7)	X-3 (8)	X-2 (8)	Currency (9)
M	M	M	M	M	M	M	M	~~M~~ M_{iap}	M_{iav}	M	M
Subsidy 1											
Subsidy 2											
Add further rows, as needed											

Notation: X = Reporting year; M = mandatory; M_{iav} = mandatory if available ; M_{iap} = mandatory if applicable

Notes:

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(1) Member State shall select from the following options (additional options may be added and specified under 'Other'): Fossil fuel; Other (including subsidies for electricity, nuclear, renewables, and energy efficiency). In case of subsidies for the generation of electricity from fossil fuel sources, these should be included under the fossil fuel category.

(2) Member State shall select from the following options: Energy sector (if possible, select from the following sub-sectors: ENER-Fossil fuel extraction; ENER-Energy crops; ENER-Conversion; ENER-Conversion-Refining; ENER-Conversion-LNG; ENER-Conversion-CHP; ENER-Conversion-Electricity production; ENER-Conversion-Heating & Cooling; ENER-Conversion-Liquid biofuels; ENER-Conversion-Biogas production; ENER-Conversion-Hydrogen production; ENER-Infrastructure; ENER-Infra-Transmission; ENER-Infra-Distribution; ENER-Infra-T&D; ENER-Infra-Storage; ENER-Assets decommissioning; ENER-Waste management; ENER-Retail); Agriculture (if possible, select from the following sub-sectors: AGRI-Crop, animal production, hunting; AGRI-Forestry and logging; AGRI-Fishing and aquaculture); Construction; Mining; Industry (if possible, select from the following sub-sectors: INDU-Energy-intensive industry (industrial sectors that are covered by the EU Emissions Trading System); INDU-Non energy intensive-industry); Transport (TRANS-Air transport; TRANS-Rail transport; TRANS-Road transport; TRANS-Water transport; TRANS-Public transport); Services (tertiary sector); Households (if possible, select from the following sub-sectors: Households; HH-Low income); Public; Cross sectors (multiple sectors); Economic sectors.

(3) Member State shall select from the following options (additional options may be added and specified under 'Other'): Support to energy demand; Support to energy efficiency; Support to industry restructuring; Support to infrastructure; Support to production; Other.

(4) Member State shall select one or more from the following options: Fossil fuels (if possible, select from the following sub-carriers: FF-All fossil fuels; FF-Several fossil fuels; FF-Coal/Lignite; FF-Natural gas; FF-Mine gas; FF-Shale gas; FF-Crude oil & NGL; FF-Oil & Gas; FF-Petroleum products; FF-PP-Gasoil; FF-PP-Blended gasoil; FF-PP-Gasoline; FF-PP-Leaded Gasoline; FF-PP-Unleaded Gasoline; FF-PP-Blended gasoline; FF-PP-LPG; FF-PP-Kerosene; FF-PP-Fossil-based marine fuels; FF-PP-Heavy fuel oil (HFO); FF-Peat; All energies; Heat; Electricity; Nuclear; Bioenergy (if possible, select from the following sub-carriers: RES-Biogas; RES-Biomass & biogas; RES-Biomass (solid); RES-Biomass MSW; RES-Liquid biofuels; RES-Liquid biofuels-Biodiesel; RES-Liquid biofuels-Bioethanol); RES (if possible, select from the following sub-carriers: RES-All; RES-Several; RES-Geothermal; RES-Heat; RES-Hydro; RES-Marine energy; RES-Solar; RES-Wind; RES-Wind offshore; RES-Wind onshore); Hydrogen (if possible, select from the following sub-carriers: FF-All fossil fuels; RES-Biogas).

(5) Member State shall select from the following options (additional options may be added and specified under 'Others'): Direct transfers (if possible, select from the following sub-categories: Soft loans; Grants; Others); Tax expenditures (Tax reduction; Tax exemption; Tax refund; Tax credits; Tax allowance; Others); Under-pricing of goods/services (if possible, select from the following sub-categories: Under-pricing of government-owned resources or land; Under-pricing of government-owned infrastructure; Under-pricing of other government-provided goods or services); Income or price supports (if possible, select from the following sub-categories: Capacity payments (electricity capacity mechanisms); Biofuels blending mandate; RES quotas with tradable certificates; Differentiated grid connection charges; Energy efficiency obligations; Interruptible load schemes; Contract for Difference (CfD); Feed-in premiums; Feed-in tariffs; Consumer price guarantees (cost support); Consumer price guarantees (price regulation); Producer price guarantees (price regulation); Others

(6) Year policy enabling subsidy was first implemented.

(7) Year when the enabling policy ends (is no longer in effect or implementation), at which time subsidies can no longer be paid. This is mandatory for fossil fuel subsidies.

(8) Subsidy volumes paid in nominal currency values.

(9) Member State shall select from the following options (one option can be selected): EUR; BGN; HRK; CZK; DKK; HUF; PLN; RON; SEK.