

Press release

Paris, 22 July 2026

Proposal of the European Commission on the Inclusion of Waste-to-Energy Facilities in the EU ETS: FNADE, FEDENE, SVDU and AMORCE warn of economic impacts with no guarantee of CO₂ emission reductions.

On 17 July, the European Commission published its proposal to revise the Directive establishing the European Union Emissions Trading System (EU ETS), which provides for the gradual inclusion of waste-to-energy (WtE) plants between 2031 and 2034. Professional associations and the association of local authorities strongly condemn this proposal, considering it unfair as it fails to recognise the essential public service role of waste-to-energy facilities : treating non-recyclable residual waste while simultaneously recovering local, dispatchable and competitive energy.

It is essential to recall that, unlike many other sectors, waste-to-energy facilities have no control over the composition of the waste they receive. Imposing a carbon price on these facilities, without addressing the issue upstream, effectively penalises the final link in the value chain for emissions that originate with producers and manufacturers placing products on the market. Reducing fossil carbon emissions primarily requires reducing the rapidly growing volume of fossil-based plastic products and packaging, and on developing separate collection and recycling across the entire plastic waste stream.

In France, waste-to-energy facilities process nearly 14 million tonnes of waste each year, generating 12 TWh of heat and 4 TWh of electricity. This recovered and renewable heat accounts for almost 30% of the energy mix supplied through French district heating networks, providing local, competitive and low-carbon energy to communities across the country. Including waste-to-energy facilities in the EU ETS would therefore increase the cost of this local energy source, with direct consequences for local authorities, households, social housing providers, public institutions and industrial users. It would also impose additional costs on an essential public service without addressing the root causes of emissions.

The proposed gradual phase-in, combined with the possibility for Member States to benefit from a conditional national exemption until 2035 and with transitional free allocation for waste-to-energy plants supplying district heating networks, does not alter the long-term additional costs resulting from this inclusion. By 2035, local authorities will face hundreds of

millions of euros in additional financial burdens, while also being exposed to the volatility of carbon prices.

The signatory organisations therefore call on the European Parliament and the Council, throughout the legislative process, to ensure that any decision regarding the inclusion of waste-to-energy facilities in the EU ETS is based on a comprehensive impact assessment, taking full account of its economic, environmental and social implications. It is also essential to assess the measure's impact on the sector's actual greenhouse gas emissions, the overall performance of the waste management chain, and the genuine incentive it would provide for the deployment of fossil CO₂ capture technologies.

The experience of Member States that have already included waste-to-energy facilities within the EU ETS, or equivalent mechanisms, is particularly telling : no reduction in sector emissions has been observed, nor any increase in recycling rates. A carbon price signal applied to incineration does not alter the composition of residual waste or influence product design choices.

A coherent and pragmatic policy approach

The treatment of residual waste in waste-to-energy facilities is the result of efforts undertaken upstream to develop the circular economy and downstream to establish a genuine market for recycled materials, including mandatory recycled content requirements in products. It is therefore essential that the measures introduced under the Packaging and Packaging Waste Regulation (PPWR) and the forthcoming Circular Economy Act be further strengthened. In addition, Member States should be required to earmark contributions paid by the waste sector towards the development and modernisation of waste management infrastructure.

"The waste management sector is already committed to decarbonisation, and these efforts must continue. However, decarbonising waste does not mean taxing its treatment. The priority should be to reduce the fossil carbon content of products placed on the market and to support the development of markets for recycled materials." said Antoine Bousseau, President of FNADE.

According to Pascal Guillaume, President of FEDENE: "European climate policy must remain consistent with the objectives of expanding district heating networks, strengthening energy sovereignty and advancing the circular economy."

Grégory Richet, President of SVDU, added: "The development of the sector must remain a priority for the government in order to strengthen energy sovereignty and maintain the capacity to recover value from waste."

"Taxing the facilities that treat residual waste, rather than those who place plastic products and packaging on the market, in order to cut carbon emissions is like taxing hospitals rather than cigarettes to fight cancer ! To protect French citizens, France must lead a coalition of Member States opposing this outrageous Commission proposal. " said Gilles Vincent, President of AMORCE.



FNADE, the French federation for waste management and environmental services, is the professional organisation representing the private resource and waste management industry. As a major player in the circular economy, the waste industry produces recycled materials, fertilisers and green energy, substituting natural resources and fossil fuels. It provides solutions to major environmental and climate challenges.

FNADE in figures: 269 private member companies; 54 669 employees in France; 11,8 billion in revenues; ~1,1 billion in investments.

FNADE is a member of FEAD, the European Waste Management Association.

FNADE's EU Transparency Register number: 232455019331-89

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FEDENE, the professional federation representing companies providing energy and environmental services, brings together six trade associations dedicated to improving energy efficiency and building services, while decarbonising heat and cooling production through renewable and recovered energy sources across cities, housing, the tertiary sector and industry.

Its members include companies of all sizes, from small and medium-sized enterprises to major international groups. These 1,500 local companies operate across the entire value chain and are present throughout France. Together, they employ 50,000 people in France and generate annual revenues of €13 billion.

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SVDU (National Association for the Treatment and Recovery of Municipal and Similar Waste) is a member of both FEDENE and FNADE. It brings together the leading operators specialising in the energy recovery of municipal and similar waste. Its members operate waste treatment facilities and recover energy from more than 13 million tonnes of residual waste each year.

Operating across 110 sites throughout France, SVDU member companies employ approximately 3,000 people. In 2025, their activities generated 12.7 TWh of thermal energy and 4 TWh of electricity, making a significant contribution to both the energy transition and France's energy sovereignty.

AMORCE brings together more than 1,100 members, including all of France's metropolitan authorities and urban communities, 90% of intermunicipal communities (communautés d'agglomération), as well as numerous local energy authorities. As a network for information exchange and the sharing of best practices, AMORCE supports local authorities and decision-makers in implementing territorial strategies for waste management, the circular economy, the energy transition, and sustainable water management.

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