

# Austrian National Emissions Certificate Trading System

## General Information

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### ETS Description

Austria launched its national emissions certificate trading system (*Nationales Emissionszertifikatehandelsgesetz* – NEHG) for fossil fuels not already covered by the EU ETS in October 2022.

Although the NEHG does not establish a carbon tax, the carbon pricing instrument **follows in central parts the logic of existing energy taxes** (fuel tax, coal tax, and natural gas tax). Thus, if a certain event is taxable under the existing energy taxes regime, an obligation to buy allowances arises under the NEHG. Taxable events are the production, import, or release of energy products from a tax warehouse in Austria or the supply of coal and natural gas to consumers. In practice, only a limited number of energy distributors and oil companies are subject to the NEHG, while the majority of (end) consumers are not directly liable.

The NEHG covers emissions outside the EU ETS 1, encompassing predominantly emissions in the buildings and transport sectors. Between 2022 and 2027, the system will operate with an annually increasing fixed price and without a cap.

The NEHG will end in December 2027 and be replaced by the EU ETS for buildings and road transport (EU ETS 2) from January 2028, constituting a one-year extension following the postponement of the EU scheme to January 2028.

### ETS Status

in force

### Jurisdictions

Austria

### Year in Review

In June 2024, Austria revised its NEHG (BGBl. I Nr. 60/2024) to prepare for the EU ETS 2, which will replace the national ETS. From 2025 onwards the EU ETS 2 methodology (MRV) is applicable for the national NEHG.

The previously planned market phase in 2026 is no longer foreseen. During the transition phase from 2025 onwards, entities report under both NEHG and EU ETS 2, with synchronized reporting requirements, deadlines, and calculation methods.

Austria enhanced relief measures in June 2024, merging carbon leakage and hardship provisions to support energy-intensive companies. The total relief budget is capped at EUR 736 million.

In January 2025, the fixed price was increased to EUR 55 (USD 62) per tonne of CO<sub>2</sub>e as provided for in the statutory price path. The Regional Climate Bonus was discontinued from 2025 onwards as part of fiscal consolidation measures. In 2024, approximately EUR 1.96 billion was redistributed to consumers via this mechanism.

In November 2025, the EU ETS 2 was postponed by one year to January 2028. As a result, Austria's NEHG will continue through 2027. During the extended transition period, entities will continue reporting under both systems. Reporting requirements, deadlines, and calculation methods for the NEHG and EU ETS 2 have been synchronized to streamline compliance.

### Sectoral coverage

Fuel use in agriculture and/or forestry

Transport

Buildings

Industry

### Revenue usage

General budget, including debt reduction

## Emissions & Targets

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### Overall GHG Emissions excl. LULUCF (MtCO<sub>2</sub>e)

68.7 MtCO<sub>2</sub>e (2023)

### GHG reduction targets

**By 2030:** 48% reduction from 2005 levels (“EU Regulation 2023/857”)

**By 2040:** Climate neutrality (foreseen to be established in the current legislative program; not legally binding)

### Current Allowance Price (per t/CO<sub>2</sub>e)

- 2022: EUR 30 (USD 32.44)
- 2023: EUR 32.50 (USD 35.14)
- 2024: EUR 45 (USD 48.66)
- 2025: EUR 55 (USD 62.15)
- 2026: EUR 55\* (USD 62.15)#
- 2027: EUR 55\* (USD 62.15)#

\*The price for 2026 and 2027 has not been legally established. Under the current legal framework, the 2025 price will therefore remain in effect until the start of EU ETS 2 in January 2028.

# USD conversion based on 2025 IMF exchange rate; actual future exchange rates may differ.

## Size & Phases

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### Covered emissions (2023)

47.00%

### Verified ETS Emissions

32.00MtCO<sub>2</sub>e

### GHGs covered

CO<sub>2</sub>

### Phases

**PHASE ONE:** Six years (2022 to 2027), including:

- Introduction phase (2022 to 2024)
- Transition phase (2024 to 2027)

### Cap or total emissions limit

There is no cap foreseen in the NEHG.

### Sectors and thresholds

**TYPES OF FUELS COVERED:** The NEHG covers all distributors (producers/importers) of fossil fuels used in transport, buildings, and agriculture, as well as in small industries. This essentially concerns the following fossil fuel sources: petrol, gasoil (diesel), heating oil, natural gas, liquefied gas, coal, and kerosene. Fuels blended with biogenic ones receive a lower emissions factor than purely fossil fuels.

Aviation and navigation in international waters as well as certain fuels like sustainable LNG are exempt from the surrender of allowances during the fixed-price phase.

Provisions are in place to avoid unnecessary double burdens for installations covered by the EU ETS 1. Emissions that arise from fuel delivered to and used in an EU ETS-covered installation must be reported by said installation and can then be exempted from the NEHG. Exemption can be granted in advance, although a subsequent refund is also possible.

The NEHG also foresees compensatory measures for economic sectors that are at particular risk of relocating their production to countries with less stringent climate policies (carbon leakage) and for firms facing additional costs in the agricultural and forestry sectors. In June 2024, Austria enhanced relief measures for industries, merging carbon leakage and hardship provisions to support energy-intensive companies. Applications for 2022 and 2023 were accepted until November 2024, and for 2024 until June 2025.

**INCLUSION THRESHOLDS:** Trading participants that emit less than one tCO<sub>2e</sub> emissions per year are exempt from the obligations.

#### **Point of regulation**

Upstream

#### **Type of entities**

Entities releasing fuels for consumption (e.g., fuel distributors)

#### **Number of entities**

280 entities (2025)

## **Allowance Allocation & Revenue**

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### **Allowance allocation**

**Introduction and transition phases (2022 to 2026):** The number of available allowances is unlimited. Allowances are sold for an annually increasing fixed price:

- 2022: EUR 30 (USD 32.47)
- 2023: EUR 32.50 (USD 35.18)
- 2024: EUR 45 (USD 48.70)
- 2025: EUR 55 (USD 62.15)
- 2026: EUR 55\* (USD 62.15)#
- 2027: EUR 55\* (USD 62.15)#

\* The price for 2026 and 2027 has not been legally established. Under the current legal framework, the 2025 price will therefore remain in effect until the start of EU ETS 2 in January 2028.

# USD conversion based on 2025 IMF exchange rate; actual future exchange rates may differ.

### **Auctioning share**

100%

### **Total Revenue**

EUR 1.4 billion (USD 1.6 billion) in 2025

2025

### **Use of Revenues**

Revenues were recycled to consumers via the Regional Climate Bonus from 2022 to 2024 (EUR 1.96 billion redistributed in 2024). The Climate Bonus was abolished in 2025; revenues now flow into the general federal budget.

## **Flexibility & Linking**

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## Offset credits

The use of offset credits is not allowed.

## Banking and borrowing

Banking is not allowed during the introduction and transition phases.

Borrowing is not allowed.

## Links with other Systems

The Austrian National Emission Certificate Trading System is not linked with any other system.

The NEHG will be replaced by the EU ETS 2 from 2028 (see the 'EU ETS 2' factsheet for more).

## Other carbon pricing instruments in the jurisdiction

**ETS (supranational):** European Union Emissions Trading System 1 (EU ETS 1)

# Compliance

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## Compliance mechanism

Covered entities must surrender one compliance unit (NEHG national emission allowance) per tCO<sub>2</sub>e emitted for all their covered emissions.

## Compliance Period

One calendar year. Covered entities have until the end of July to surrender allowances to cover the reported emissions of the previous year.

## Monitoring, Reporting, Verification (MRV)

**FRAMEWORK:** The “*Nationales Emissionszertifikatehandelsgesetz 2022 (NEHG 2022)*, BGBl. I Nr. 10/2022”, which established Austria's national emissions trading system, sets out MRV obligations including monitoring plans, annual emissions reporting, verification requirements, and compliance deadlines. The system is administered by the Federal Ministry of Finance with the competent authority “Office for National Emissions Allowance Trading” at the Austria Customs Office.

**MONITORING:** The emissions report must be based on a previously approved monitoring plan. Every modification to the monitoring plan must be communicated to the competent authority by the end of each calendar year. During the introductory phase, a simplified registration and emissions reporting regulation applied. In this phase, no monitoring plan needed to be submitted.

**REPORTING:** Annual self-reporting in the form of an emissions report (“*Treibhausgasemissionsbericht*”) based on electronic templates is to be submitted by the end of June. During the introductory phase, a simplified emissions report, which is based on the already available data of the energy tax declarations, was submitted.

**VERIFICATION:** The emissions report must be accompanied by a verification report by an independent verifier, a requirement which was absent during the introductory phase.

## Penalties and enforcement

Entities must pay an increased certificate price for each tCO<sub>2</sub>e for which no allowance has been surrendered, set at two times the fixed price, in addition to a financial penalty.

For other instances of non-compliance, e.g., misreporting, or late reporting, entities can be fined.

# Market Regulation

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## Market Stability Provisions

### PRICE STABILITY MECHANISM

**Instrument type:** Price-based instrument

**Functioning:** Introduced as an accompanying measure for the introduction of the national ETS. If the average energy price increases by more than 12.5% within one calendar year, the allowance price increase for the next year will be half of the initially planned increase. Likewise, if the average energy price decreases by more than 12.5%, the allowance price increase will add 50% in the following year.

**Triggers:** In 2022 the trigger was hit and therefore the price in 2023 changed to EUR 32.50 instead of EUR 35. In 2024 and 2025, the changes in energy prices did not trigger the price stability mechanism. Thus, allowance prices remained on their foreseen path.

## Market Design

The NEHG will no longer enter into a market phase. Hence no provisions are expected for market design.

## Other Information

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### Institutions involved

**Austrian Federal Ministry of Finance (BMF):** Responsible for establishing the regulatory framework of the ETS.

**Office for National Emissions Allowance Trading** at the Austria Customs Office: Implementing authority, e.g., responsible for receiving emissions reports.

### Regulatory Framework

[National Emissions Trading Act 2022 - NEHG 2022](#)

[Amendments to National Emissions Trading Act 2022 adopted in 2024](#)

[Eco-social tax reform 2022](#)

### Evaluation / ETS review

The NEHG has already been amended and aligned with the EU ETS 2 to ensure a smooth transition. However, adjustments to the corresponding regulations are still forthcoming.

The current framework ensures that the market phase is aligned with Austria's climate targets and supports the transition to the EU ETS 2, covering the buildings and road transport sectors. Additionally, provisions regarding exemptions for certain sectors are addressed within the existing legislative framework.

Compared to the 2019 baseline, the sectors covered by the NEHG achieved cumulative emissions savings of 7.1 MtCO<sub>2</sub>e over the period 2020 to 2024.

For the calculations, energy-related GHG emissions in the non-ETS sectors of transport, buildings, energy use in agriculture, energy and industry were compared to the 2019 baseline year.

However, this reduction cannot be attributed solely to the NEHG, as it is influenced by multiple causal factors.

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