CONSULTATION RESPONSE

Danish Energy Agency consultation on the price of CBAM certificates

Brussels, 10 November 2025

We thank the Danish Energy Agency for providing the opportunity for a public consultation on the CBAM implementing acts. We generally emphasise the importance of clarifying the CBAM regulation as soon as possible and before the start of the definitive period.

1. The delayed publication of the price of CBAM certificates creates uncertainty

We note that the first 'real' average price is for Q1-2026 and thus the first real CBAM certificates price will be available only in April 2026.

For electricity imports, commercial decisions depend on price certainty. If the carbon price to be applied is unknown at the time of import, importers cannot accurately assess the cost of their transactions. Predictability of the applicable CBAM charge is therefore essential for efficient cross-border electricity trading.

Acknowledging the limitations in the primary legislation[1], a potential solution to achieve price certainty would be to apply the average EU ETS price of the previous quarter (e.g. quarterly average of Q4-25 for CBAM certificates price for Q1-26) or weekly average already starting from 2026.

2. Apply CBAM discount to all electricity traded via the power exchange in a country with an existing carbon pricing mechanism

When electricity is traded on power exchange of a third country with a carbon pricing mechanism, the carbon costs are internalized in the price of electricity.

Due to the anonymity of the trades, it is not possible to track the "carbon-paid" status of that electricity once it is sold on the exchange or OTC at wholesale level, nor the buyer will have documentation of paying the CO_2 price before eventually exporting it.

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[1] Article 21.1a – *"By way of derogation from paragraph 1, the Commission shall calculate the price of CBAM certificates that corresponds to the embedded emissions declared in respect of the year 2026 in accordance with Article 6(2), point (b), as the quarterly average of the closing prices of EU ETS allowances on the auction platform, in accordance with the procedures laid down in Delegated Regulation (EU) 2023/2830, of the quarter of importation of the goods in which those emissions are embedded."*

From a buyer/importer perspective, there are two scenarios:

Source	Carbon price already paid?	CO2 emissions occurred?	Eligible for CBAM discount?
Fossil fuel	Yes	Yes	Yes
Fossil-free	No	No	Yes

On one hand, if electricity comes from a fossil source (coal, natural gas or oil), the carbon price has therefore been already paid and CBAM discount should be applied (equal to the carbon price already paid in a third country).

On the other hand, if electricity comes from a fossil-free source, CBAM should not apply as no emissions occurred in the first place, and therefore CBAM discount should also be applied.

3. Recognise complementary third countries' carbon pricing mechanisms

Where a carbon price has been paid through multiple instruments across different compliance mechanisms, rules should allow aggregation into a single effective price.

One example is the UK, where both UK ETS (for all CBAM goods) as well as the Carbon Price Support scheme (for electricity imports - currently set at 18 GBP/MWh) applies.

Following the same rationale explained above, all electricity traded on the exchange or Over-The-Counter at wholesale level should be also eligible for a CBAM discount equal to the Carbon Price Support scheme.

Source	Carbon price support mechanism paid?	CO2 emissions occurred?	Eligible for CBAM discount?
Fossil fuel	Yes	Yes	Yes
Fossil-free	No	No	Yes

It is worth noting that if a third country's carbon pricing (e.g. UK ETS + Carbon Price Support) exceeds EU carbon pricing (EU ETS), CBAM levy on imported electricity should be zero, which must be reflected in the final methodology.

As of now, there has been no written confirmation that such carbon pricing mechanism is recognized and therefore can be offset.

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