

EURACOAL POSITION

For the second reading of the proposal for a directive on industrial emissions (integrated pollution prevention and control) in the European Parliament

Current situation

In December 2007 the European Commission presented its proposal for a directive on industrial emissions ("IED") with the purpose to revise and merge seven separate existing directives related to industrial emissions into a single document. The currently effective directive on the limitation of emissions of certain pollutants into the air from large combustion plants ("LCPD") is one of those directives. In the recast directive the related main provisions for LCPs are covered in Article 33 and Annexes V and VI.

In March 2009 the EP Plenary adopted its respective first-reading report. If maintained, the main amendments would imply the following effects for EURACOAL's members in comparison to the LCPD. For the combustion of fuels in installations with a total rated thermal input of 20 MW or more and coke ovens a baseline report for soil and groundwater will have to be set up when applying for a new or updated permit, provided that dangerous substances are used, produced or released. Upon definitive cessation of the activities the operator would have to assess the state of soil and groundwater in view of any contamination, remediate the site and return it to the initial state.

BAT Reference Documents (BREF) are supposed to be the reference for establishing permit conditions and general binding rules. In particular, BREF shall contain Best Available Techniques Associated Emission Levels (BAT-AEL), defined as a range of emission levels resulting from using BREF. Authorities have to ensure that BAT-AEL are not exceeded. For adopting a new or updated BREF the Commission is to organise an exchange of information. Results of this exchange will be published as new or updated BREF. Within twelve months of a new BREF publication the Commission will adjust Annex V setting ELV as minimum requirements in a comitology procedure.

In specific cases, on the basis of an assessment of the environmental and economic costs and benefits taking into account the technical characteristics of the installation concerned, its geographical location and the local environmental conditions authorities can set ELV exceeding BAT-AEL. ELV specified in the annexes V to VIII must not be exceeded.

Whenever the Commission publishes a new or updated BREF national authorities shall reconsider and, where necessary, update the permit conditions for the installations concerned within four years, especially when significant changes in the BAT provide for a significant reduction of emissions.

Amendments were put forward to provide for an opt-out or the alternative availability of National Emission Reduction Plans or minimum desulphurisation rates for indigenous coal with high sulphur rates for electricity production. Amendments to introduce CO₂ ELV were deemed inadmissible in the recast procedure.

The Environment Council reached political agreement on a Common Position in June 2009. In particular the Council discussed the issue of large combustion plants (LCPs). The Council agreed to apply current BAT to new LCPs earlier than proposed by the Commission, namely within two years after the entry into force of the Directive.

Existing LCPs would have to apply current BAT from 2016 but the Council agreed two important flexibility measures. First, between 2016 and 2020 Member States may apply transitional national plans for combustion plants which were granted the first permit before 27 November 2002 or the operator of which had submitted a complete application for a permit before that date, provided that the plant was put into operation no later than 27 November 2003 defining annual ceilings for of NO_x, SO₂ and dust emissions. These ceilings must decline between 2016 and 2020 and meet levels associated with current BAT at the end of 2019.

Second, individual plants may opt out of complying with the ELVs but are then restricted to operating for no more than a total of 20,000 hours between 2016 and 2023 at which point they must close.

According to the Council agreement combustion plants using indigenous coal or lignite which cannot comply with the emission limits for SO₂ can alternatively apply minimum desulphurisation rates as monthly average values.

EURACOAL position for the second reading

BREF drafting process

In view of the significance of BREF the drafting process needs to include all relevant stakeholders and particularly involve the electricity generating industry. BREF should consider both proven technology and economic adequacy aspects. BREF should take account of the investment cycle of the electricity generating industry and not require the retrofitting of existing plants. As BAT evolves over time it should be accepted that BAT for existing plants differs from BAT defined in the future for new plants.

Minimum desulphurisation rates for high-sulphur indigenous fuels

The minimum desulphurisation rates for high-sulphur indigenous fuels adopted already by the Council should be accepted. Such a regime takes account of the different sulphur contents occurring naturally in coal throughout Europe while also guaranteeing a high level of environmental protection. Without such alternative desulphurisation rates many existing coal-fired power plants in Europe would be threatened by closure and in many cases the construction of new power plants would no longer be economically feasible. This would have a negative impact on the EU's security of energy supply based on indigenous raw materials.

EURACOAL wishes to point out that one important regulatory provision on alternative desulphurisation rates is still missing in the draft IED. The new Directive 2008/98/EC on waste clearly states that the incineration of waste to produce energy is to be preferred to its disposal. If waste is co-incinerated in coal-fired power plants the Annex VI provisions for combustion plants co-incinerating waste apply. It is therefore suggested to apply the regime on alternative desulphurisation rates also to combustion plants co-incinerating waste. Otherwise co-fired plants would be at a disadvantage compared with conventional large combustion plants. This is not justified because co-incinerating waste in coal-fired power stations in order to preserve resources should not fail because of the sulphur content of indigenous coal. Accordingly the current Waste Incineration Directive, which will also be replaced by the draft IED once adopted, contains rules on alternative desulphurisation rates for the use of high-sulphur indigenous fuels.

For reasons of security of energy supply, resource preservation and equal treatment, Art. 31 of the IED should be amended to extend the regime on alternative desulphurisation rates for the use of high-sulphur indigenous fuels decided by the Council to those large combustion plants in which

waste is co-incinerated. Details and a corresponding amendment with justification are attached.

Flexibility instruments

The flexibilities agreed by the Council take account of the different individual electricity generating structures in the Member States and are designed to avoid a cliff edge at the end of 2015. Without flexibility, there would be a large number of plant closures and a real threat to the security of electricity supplies.

Transitional national plans provide for declining ceilings for NO_x, SO₂ and dust between 2016 and 2020 with current BAT to be met from the end of 2019. The opt-out provision enables plants to continue, but with limited operating hours and thus reduced emissions, but only until 2023. These flexibility arrangements should be accepted by the EP in order to avoid the potential for a security of supply crisis in a number of Member States at the end of 2015, barely six years away.

CO₂ ELV/EPS

Amendments aimed at introducing CO₂ ELV or CO₂ emission performance standards should be rejected. As LCPs also fall under the EU's emissions trading scheme CO₂ ELV or CO₂ emission performance standards would constitute double regulation and serve to undermine the scheme itself. Values of 350 or 450 g CO₂/kWh could result in a fuel switch from coal to gas and even more reliance on energy imports for less stable regions and entrain risks for energy security. Council and EP agreed on the issue of CCS for power stations in their compromise on the "Climate Package". It was decided to re-examine the issue in the context of the report to be presented by the European Commission by March 2015. The reasons for this were and still are that the CCS demonstration installations cannot provide any verifiable results before then and that coal will continue to play an important role in the EU's energy mix for Europe's security of energy supply for a long time. This situation has not changed.

Annexes

Currently the EP does not intend to amend the annexes to the IED. However, should amendments be requested for the annexes in the second reading, e.g. for the NO_x ELV for existing gas-fired LCPs, then the NO_x ELVs for existing coal fired plants should also be amended.

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