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EURACOAL Position Paper

on Industrial Emissions Directive (IED) and "Best Available Techniques" (BAT) Reference Document for Large Combustion Plants (LCP BREF): *a tale of leapfrogging standards*

Background

Coal-fired power stations provide around 28% of the electricity consumed in the EU. Emissions from these plants are lower than ever before. For example, sulphur dioxide emissions have fallen by 80% since 1990.

All large coal- and lignite-fired power plants meet the requirements of the EU Large Combustion Plants Directive (LCPD) and, from January 2016, existing plants must meet the stricter requirements of the EU Industrial Emissions Directive (IED). Such plants are major assets – typically costing €1-2 billion to construct. Their regulation should not damage investor confidence.

In view of this, operators of coal- and lignite-fired power plants are concerned that a proposed revision of the Best Available Techniques Reference Document for Large Combustion Plants (LCP BREF) is moving in a direction that, if not stopped, would destroy faith in EU law making and compromise future investments in pollution control at large power plants.

Action called for by industry

The European Integrated Pollution Prevention and Control Bureau (EIPPCB) should be instructed to prepare a new, completely revised draft of the LCP BREF. This should take proper account of the data submitted by stakeholders, cover the full range of large combustion plant capacities and technologies, and not be limited to selected reference plants. The new draft should clearly differentiate between conclusions on "best available techniques" (BAT) which must be realistic and other parts of the BREF which provide detailed information for competent authorities in Member States to use when assessing the likely performance of new installations or major refurbishments. It is wholly unacceptable and unjustified to select optimal performance figures as emission limits given that any new statutory limits must be met at all times by all plants, not just during performance testing at selected plants.

Any new emission limits resulting from BAT associated emission levels (so-called BAT-AELs) should differentiate between new and existing power plants, taking into account fuel types and qualities, site-specific conditions and techno-economic factors. In some cases, it is difficult or technically impossible to meet tighter, new limits at older plants. As in the case of EU directives, the LCP BREF should be accompanied by a detailed assessment of its **economic impact**, an important feature of regulatory design that the EIPPCB ignores.

Avenue de Tervueren 168 Bte 11 ■ B-1150 Brussels ■ Belgium
Tel. +32 (0) 2 775 31 70 ■ Fax +32 (0) 2 771 41 04 ■ e-mail euracoal@euracoal.org
www.euracoal.org

Introduction

The Industrial Emissions Directive (IED) lays down emission limit values for air pollutants – including oxides of nitrogen, sulphur dioxide and dust – from large combustion plants (*i.e.* ≥50 MW thermal input), such as large power plants.

Fuel-specific emission limit values are defined in Annex V of the IED. Future revisions to these values will be based on the Best Available Techniques Reference Document for Large Combustion Plants (LCP BREF) applicable to both new and existing large combustion plants.

At least every eight years, the BREF is reviewed by a technical working group of Member States, industry and NGO representatives. This so-called "Seville Process" is co-ordinated by the European Integrated Pollution Prevention and Control Bureau (EIPPCB) in Seville to determine the "best available techniques" (BAT) which are used to derive new emission limit values. Once complete, the review outcome in the form of "BAT conclusions" will be forwarded to the European Commission for comitology and adoption. The Commission usually approves EIPPCB proposals which underlines the importance of the Seville Process.

In June 2013, a first draft of the revised LCP BREF was published by the EIPPCB and stakeholders replied with more than 8 500 comments. A background paper with responses to the points raised by stakeholders is expected to be issued early in 2015. It is still unclear to what extent large combustion plants will be affected by the Seville Process, but more stringent emission limit values have been proposed.

Implications of the LCP BREF Review

If more stringent emission limit values were to be adopted, then a large number of power plants would be unable to comply with the IED and would have to be retrofitted, taken out of service or continue in operation under temporary and uncertain exemptions. This would put at risk the very power plants that provide security of supply and balance intermittent renewable energy sources across Europe.

Even state-of-the-art reference power plants with the best available techniques in place might not fulfil the proposed new emission limit values. This would be entirely contradictory to the principles of the IED which establishes the BREF framework. Following careful analysis of revision D1 of the draft LCP BREF, we recommend the following:

- Limit values based on BAT-associated emission levels (BAT-AELs) should be explicitly referenced to normal **base-load operation** and adjustments made for plants operating at lower load factors.

- BAT conclusions should have no impact on power plants with **IED Directive derogations** (Art. 31-35). The EIPPCB has no right to interfere with IED derogations negotiated by Member States and that are necessary to minimise the negative impacts

on certain EU economies. The derogations should be left intact with no changes to their duration or scope.

- Existing installations, *i.e.* those operating prior to the entry into force of any new BAT conclusions should not be forced to meet new emission limits; only those defined in Appendix V of the IED should apply. For technical and economic reasons, **no revision of the IED emission limit values** can be accepted, especially for those large combustion plants that have been or are currently being modernised at great expense in order to comply with the IED. Similarly, new BAT conclusions, *e.g.* for peak power plants, would go far beyond IED requirements and cannot be justified. Furthermore, there should be no new pollutant standards for existing installations given that significant investment decisions have already been made on the basis of the IED.

- BAT-AELs for **new pollutants** and standards for energy efficiency should only apply to new combustion plants which start operating after adoption of any new BREF conclusions. To apply any new requirements to existing plants would endanger their continued viability and put energy supply security at risk. Energy efficiency issues belong in the Energy Efficiency BREF, adopted in 2009, and not in the LCP BREF. In addition, some techniques presented in the LCP BREF as "available" should be reclassified as "emerging".

- The time-averaging periods proposed in the draft BREF (revision D1) for BAT-AELs are not consistent with IED criteria: the EIPPCB has proposed that short-term emission limit values should be established as a **95th percentile**[1] and that long-term values be annual averages. However, such values cannot be directly correlated with the daily and monthly emission limit values cited in the IED.[2] In the worst case, monthly and daily average values would have to be determined through a "back calculation" from the 95th percentiles, thus implying a tightened average value. Instead of a 95th percentile, **explicit daily and monthly average values** should be proposed.

- The draft BREF (revision D1) does not include BAT-AELs for indigenous solid fuels with high sulphur which is of concern, especially at power stations that depend on nearby lignite deposits and cannot therefore switch to other fuel sources. Therefore, **fuel qualities** should be taken into account in the BREF by including the "desulphurisation rates" for high-sulphur indigenous fuels that are stated in the IED.

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1 95th percentile: 95% of all measured ½-hour values for a large combustion plant should lie below the emission limit value during a year.

2 Annex V, Part 4 of the IED, *c.f.* Attachment 2.

- **Measuring requirements** should be realistic with reference to available monitoring technologies, costs and environmental benefits. Continuous monitoring is not required where emissions can be inferred by other means and verified by scheduled spot measurements.

Outlook / Timeline

The final draft of the LCP BREF should be completed by the EIPPCB in summer 2015. It is expected that a decision on new best available techniques will be made by the end of 2015 – following comitology. After publication of the BREF, Member States have four years to review and if necessary update the permits which means that any new emission limit values would become binding at the end of 2019 – just three years after the IED comes into force for existing power plants.

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