

# **Towards an improved policy on industrial emissions**

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## **1. Background**

Large combustion plants, i.e. those with a rated thermal input of 50 MW or more, account for a major part of the EU-wide industrial emissions to air of sulphur dioxide (75%) and nitrogen oxides (50%). Some 2,800 combustion plants are currently covered by the EU legislation on industrial emissions, in particular the integrated pollution prevention and control (IPPC) Directive 2008/1/EC and the large combustion plant (LCP) Directive 2001/80/EC. In case waste is co-incinerated in these plants, they are also covered by the waste incineration (WI) Directive 2000/76/EC.

The aim of the IPPC Directive is to ensure a high level of protection of the environment taken as a whole. Installations covered by the Directive cannot be operated without a permit granted by the competent authorities in the Member States. These permits need to contain emission limit values based on the "best available techniques" (BAT), as defined in the Directive, with the possibility to take into account certain local conditions. The information exchange on BAT has resulted in the adoption by the Commission of 32 BAT Reference Documents (BREFs) covering most of the activities within the scope of the IPPC Directive. These documents define what is BAT at an EU-wide sectoral level in order to assist competent authorities in the permitting process. A BREF on LCPs has been adopted in 2006 and this document will be revised from 2010 on.

The IPPC Directive is supplemented with Directives covering specific activities, such as the LCP and WI Directives, which are setting out minimum requirements – in particular emission limit values and monitoring requirements – for these activities. The LCP Directive tackles emissions of sulphur dioxide, nitrogen oxides and particulate matter.

## **2. The Review of the IPPC Directive and related legislation**

In 2006 and 2007, the Commission carried out a detailed analysis of the permitting, compliance and enforcement regimes adopted by Member States. On the basis of several studies and an intensive stakeholder consultation, it was concluded that there are significant shortcomings in the implementation of the current legislation. Five main areas for concern were identified:

- insufficient implementation of BAT.
- limitations with regard to compliance, enforcement and environmental improvements
- unnecessary administrative burdens due to the complexity and inconsistency of parts of the current legal framework
- insufficient scope and some unclear provisions
- constraints on the use of more flexible instruments, such as NO<sub>x</sub> and SO<sub>2</sub> emission trading

### 3. The Commission's Proposal for a Directive on industrial emissions

In response to the concerns identified through the review of the IPPC Directive, the Commission adopted a Proposal for a Directive on industrial emissions (IED) on 21 December 2007.

Some of the main features of the proposal are the following:

- it recasts the IPPC Directive and six other Directives related to industrial emissions – including the LCP and WI Directives - into a single legislative instrument with the aim of improving clarity and coherence and to reduce unnecessary administrative burdens
- it improves and clarifies the concept of BAT by requiring decisions that set permit conditions outside BAT to be justified and documented.
- it tightens current minimum emission limit values for large combustion plants from 2016 on to ensure the progress needed for achieving the objectives of the Thematic Strategy on Air Pollution: the new limit values have been based on the BAT conclusions of the LCP BREF as adopted in 2006
- it introduces minimum provisions with regard to inspection, review of permit conditions and reporting of compliance
- it extends the scope of the IPPC Directive to cover certain activities, e.g. combustion plants between 20 and 50 MW, and clarifies the scope for certain sectors

The IED proposal will lead to significant benefits for the environment and human health by reducing industrial emissions across the EU, in particular through better application of BAT. For the large combustion plants alone, the impact assessment showed that it will achieve net benefits of €7-28 billion per year. Furthermore, the proposal made will make a significant contribution to the implementation of Better Regulation and simplification of the legislation. No significant long term impacts on competitiveness, detrimental social impacts or negative effects on economic growth have been identified. Rather, a more unified application of BAT would help to create a more level playing field and reduce distortion of competition within the EU for the industrial sectors concerned. The proposals will also help to promote the development and deployment of innovative technology.

### 4. Current status of the Co-Decision Process

The Commission's IED Proposal is currently undergoing the co-decision process in the Council and European Parliament. In Council, the CZ Presidency is continuing discussions with the aim of reaching political agreement in June. In the EP, a vote in the ENVI Committee was held on 22 January 2009 and the vote in the plenary is scheduled for 12 March 2009.