

## Eurobrief April 2010

### In this issue:

The Commission's Green Agenda

IFIEC calls for adequate compensation of power price impact

Member States to have opt-out from single EU platform for CO2 auctioning

Drop in emissions from EU ETS installations in 2009

Environment Committee debates CCS financing draft decision

Council adopts Common Position on energy labelling Directive

Commission cautious over potential benefits of carbon pricing

Commission backs targets for EU biodiversity strategy

Citizens not informed about biodiversity loss: study

Commission launches tender on Eco-design Directive study

Amendments to draft recommendation on IPPC Recast published

Commission launches tender for study on IPPC penalties

Council adopts Common Position on building energy performance proposal

Commission considers possible water performance of buildings Directive

Council Working Party discusses future construction products Regulation

REACH - 2010 registration: list of substances identified

REACH - ECHA publishes REACH Annex V Guidance document

Review of EU recycling Directives to begin in 2012

Join us at Green Week

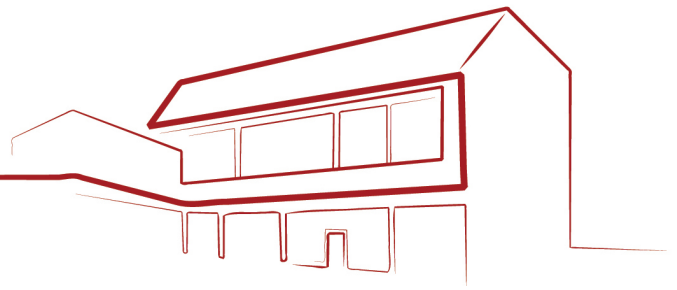
## EDITORIAL

The Commission's Green Agenda

Climate Change and related EU measures and policies omnipresent in European Commission strategic Priorities for 2010. On 31 March, the European Commission publicised its strategic priorities for 2010, an impressive catalogue of 34 priorities to be implemented before the end of 2010, to which have to be added another 280 major proposals under consideration in 2010 and beyond.

President Barroso stresses that this programme, produced by the Barroso II Commission only 6 weeks after it started office, is to be regarded as "ambitious but realistic".

In addition to the Communication on "An Industrial Policy for the



Globalised Era", which is announced for the 3rd quarter of 2010 and expected with impatience by all industries, WHAT'S IN IT FOR THE EUROPEAN CEMENT INDUSTRY?

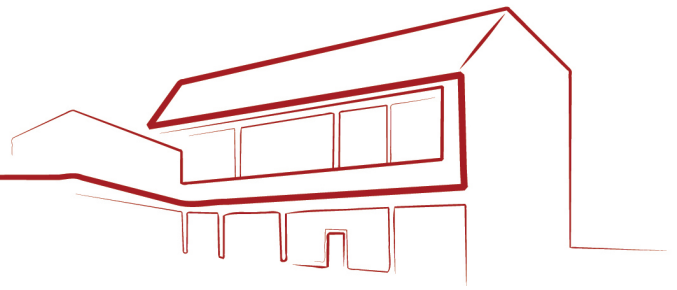
Climate Change and EU related measures and policies are omnipresent in the priority initiatives earmarked for 2010 and beyond.

The Commission intends to issue a Communication on "Mainstreaming Climate Adaptation and Mitigation in EU policies and climate proofing of financial instruments" whereby more emphasis will be given to climate objectives. In the same order of ideas, the Commission will issue another Communication on "the analysis of practical policies required to implement a 30% EU emission reduction and assess the situation of Energy Intensive Industries". It is feared that the current status of energy intensive industries may be questioned particularly as the Commission is still considering to step up the EU's reduction commitment in the ETS from 20% to 30%.

The GHG Monitoring and Reporting Decision which, we thought, is working reasonably well, will be revised and the environmental guidelines on the EU ETS for after 2013 will be changed, especially with regard to State Aids and Carbon Leakage. A revision of the Energy Taxation Directive is also announced - not unexpectedly.

All those points show a clear determination to pursue a unilateral, European approach to climate change in the footsteps of the unsuccessful policy started on 1 January 2005. The acceleration is best understood as a component of the drive to transform the European economy into a low carbon economy, with a road map to 2050 and scenarios to 2030. A Communication and a revised Energy Efficiency Action Plan are in the pipeline. Another roadmap will also be produced to pave the way towards a Resource Efficient and Low Carbon Europe in 2020.

A Communication on a new post-2010 EU biodiversity policy and strategy is also planned for the 4th quarter of 2010 to which the European cement industry will be in a position to bring a positive contribution given its record.



During the course of Barroso I, the European Commission took a decisive turn when it was decided to give more weight to environmental considerations, especially climate change. The Barroso II agenda confirms this trend: this is definitely a green agenda if ever there was one and the pressure on industry will be further increased. In a response to ACEI (Alliance for a Competitive European Industry)'s letter urging great caution on moving to a minus 30% reduction target, the Barroso Cabinet has made the Commission's intention very clear: "the EU should strive to become the most climate friendly region of the world". CEMBUREAU's agenda for the next few years will remain very full in this respect. The overhaul of the standardisation process, announced for 2010 as another priority in Europe, will also require time and resources, but that is another story.

The full document is available from here:

[http://ec.europa.eu/atwork/programmes/index\\_en.htm](http://ec.europa.eu/atwork/programmes/index_en.htm)

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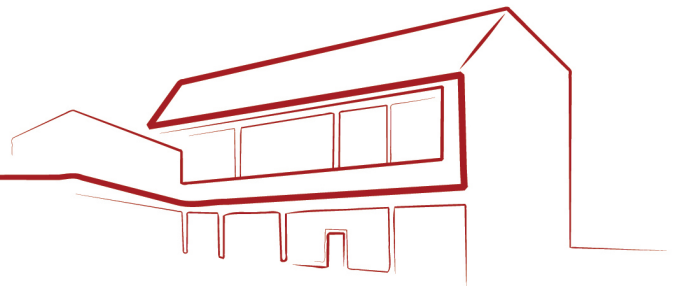
## EU EMISSIONS TRADING SCHEME

### IFIEC calls for adequate compensation of power price impact

In a statement released earlier this month, IFIEC (the International Federation of Industrial Energy Consumers) has indicated that additional costs to EU industry in terms of higher electricity prices resulting from the EU ETS amount to about 8.5 billion € annually. It has stated that these indirect emission costs need to be compensated to avoid carbon leakage as long as international competitors do not pay a similar carbon price.

The Federation has thus called for:

- » Financial compensation for all products that are at risk of carbon leakage
- » Rules on financial compensation which create certainty for planning and investment
- » The non-exclusion of electricity supply contracts signed before the start of the first ETS trading period



» A level of compensation which covers the real ETS related cost burden of efficient electricity consumption

» Financial compensation which fully compensates the indirect costs of ETS

» Compensation which should be paid in the year in which the costs occur

The statement also stresses that:

» There is no justification for repayment of financial compensation in case of closure of an installation

» The policy instrument of compensating the ETS-related indirect costs should not be used to pursue other policy aims.

» The EU Commission should not build obstacles to national compensation measures before 2013

» Information concerning electricity consumption and contracts of individual installations are competition sensitive information and should therefore be treated confidentially. CEMBUREAU supports IFIEC's positions.

The full statement is available from here:

<http://www.ifieceurope.org/docs/EU%20ETS%20power%20price%2019%2004%2010.pdf>

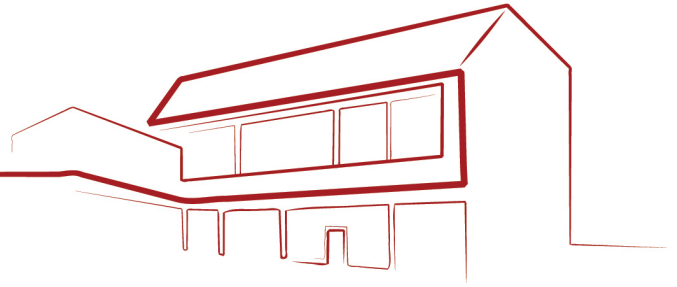
## EU EMISSIONS TRADING SCHEME

### Member States to have opt-out from single EU platform for CO2 auctioning

Member States will have the opportunity to opt out of a single EU platform for auctioning CO2 allowances under the EU's Emission Trading System (ETS) from 2013, according to a proposal for a Regulation adopted by the European Commission this month.

The draft Regulations says that any Member State not participating in the joint action would have to inform the Commission of its decision to appoint its own auction platform within three months of the Regulation's entry into force.

The European Parliament has now a three-month scrutiny period to review the proposal. Member states must approve the plans for the regulation to become law, in a vote expected within the next three months.



Four major Member States - the UK, Germany, Poland and Spain - have consistently opposed the formation a single platform, which has helped to delay the adoption of the draft Regulation. There have also been disagreements within the European Commission over the proposal, which was originally scheduled for adoption by June 2010 (see March 2010 Eurobrief). DG Enterprise, for example, felt that DG Environment, which led the work developing the new auctioning rules, has neglected the views of other Commission services and has complained of insufficient consultation.

The Draft Regulation can be found here:

[http://ec.europa.eu/environment/climat/emission/pdf/proposed\\_auctioning\\_reg.pdf](http://ec.europa.eu/environment/climat/emission/pdf/proposed_auctioning_reg.pdf)

## EU EMISSIONS TRADING SCHEME

### Drop in emissions from EU ETS installations in 2009

There was an overall 11% drop in emissions from installations regulated under the EU Emission Trading Scheme (ETS) in 2009, according to the European Commission. The data, which was published by the European Environment Agency (EEA), shows a 20% decrease for cement, lime and glass. The metallic ore sector dropped by 38%, while there was a 32% drop in ceramics and a 30% decline in steel. Four major Member States - Germany, the UK, Italy and Spain - accounted for nearly two-thirds of the overall 11% decline.

The EEA plans to publish a detailed analysis before the summer.

The data can be found here:

[http://ec.europa.eu/environment/climat/emission/pdf/AL\\_VE\\_2009\\_public\\_format.xls](http://ec.europa.eu/environment/climat/emission/pdf/AL_VE_2009_public_format.xls)

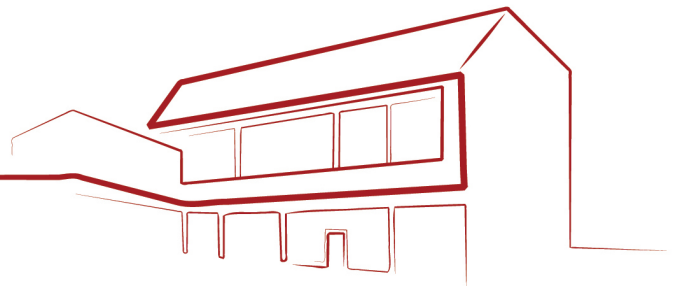
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## ENVIRONMENT

### Environment Committee debates CCS financing draft decision

The Greens/EFA group in parliament has withdrawn its objection to the Draft Commission Decision laying down criteria on financing carbon capture and storage (CCS) and renewable demonstration projects following assurances from the Commission that renewable energy projects will get an equal share of available funding. This will be case if the amount requested for renewable energy projects is equal to the amount requested by CCS projects.

The Greens/EFA group has therefore withdrawn is proposed motion for resolution objecting to the draft Commission Decision. There were no objections to the withdrawal.



The withdrawal follows a debate on the Draft Commission Decision held in the Environment Committee on 6 April 2010. In its motion for a resolution, the Green Group expressed its concern that funds could be unequally allocated in favour of CCS projects rather than renewable projects. Claude Turmes (Greens, Luxembourg) said that, because of the financial crisis, prices in the Emission Trading System (ETS) system were not what were expected when the ETS was adopted, so different calculations should therefore apply. He asked the Commission how it could ensure that fund distribution would not be "completely unfair".

Chris Davies (ALDE, UK) who was the Rapporteur on the CCS project proposal, accused the Greens of basing the debate on pure ideological grounds. He said the world is still using fossil fuels in huge quantities, and that CCS is technology must be developed. He expressed his disappointment with the slowness of the process, and concern that the 2015 deadline will not be met.

The Commission assured the Committee that renewable energy projects would get an equal share of available funding under the proposals.

The Motion for a Resolution on the Draft Commission Decision can be found here:  
[http://www.europarl.europa.eu/meetdocs/2009\\_2014/documents/envi/re/810/810529/810529en.pdf](http://www.europarl.europa.eu/meetdocs/2009_2014/documents/envi/re/810/810529/810529en.pdf)

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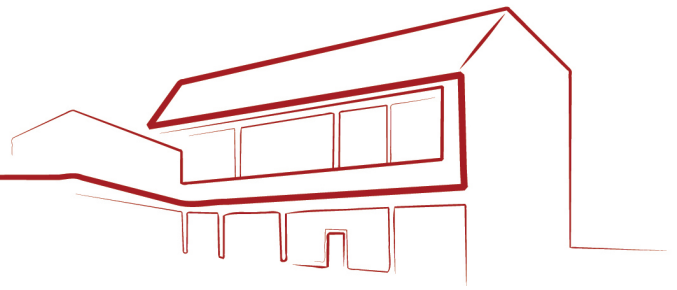
## ENVIRONMENT

### Council adopts Common Position on energy labelling Directive

The Council has adopted its Common Position on the proposal for a Directive on energy labelling. This Directive would apply to energy-related products which have a significant direct or indirect impact on the consumption of energy and, where relevant, on other essential resources during use.

The main points of the Common Position are:

- » An extra category (A+++ ) should be added to the A-G scale set out in the proposal.
- » Member States will not be required to buy the most energy efficient products through public procurement - they will only be encouraged to do so.
- » Adverts will have to bear the energy-class label as soon as the energy consumption and the



price are mentioned.

» The Directive will be revised in 2014.

» It: also reiterates the necessary adaptations required as a result of the entry into force of the Lisbon Treaty, as agreed on 24-25 March 2010. This agreement lays down the procedures for the adoption on implementing measures under the Directive.

In relation to the priority list of energy-related products and, more specifically, construction products, windows and doors are expected to be included. However, for "intermediary products", these will not, in principle, be on the list. CEMBUREAU will continue to monitor the situation.

The Council's Common Position can be found here:

<http://register.consilium.europa.eu/pdf/en/10/st05/st05247.en10.pdf>

The Council's draft statement can be found here:

<http://register.consilium.europa.eu/pdf/en/10/st05/st05247-ad01.en10.pdf>

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## ENVIRONMENT

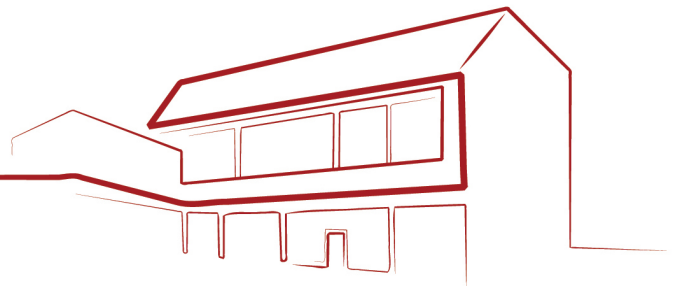
### Commission cautious over potential benefits of carbon pricing

Carbon pricing and taxes on financial transactions can help raise government revenues and improve market efficiency, claims a European Commission working paper on innovative financing. The paper identifies both carbon taxation and carbon allowance auctioning under the EU's Emissions Trading Scheme (ETS) as two of several innovative ways of raising revenue.

The Commission stresses caution over potential revenues from carbon pricing however, as revenues will inevitably decline as changes in behaviour are established. It will also be important to take into account the interaction between carbon taxation and the EU's Emission Trading Scheme (ETS). Furthermore, in order to address risks of carbon leakage if key global players do not follow the EU's example by implementing comparable climate action, the ETS foresees the free allocation of emission allowances to energy-intensive sectors.

The Commission working document on innovative financing can be found here:

[http://ec.europa.eu/economy\\_finance/articles/international/documents/innovative\\_financing\\_global\\_level\\_sec2010\\_409en.pdf](http://ec.europa.eu/economy_finance/articles/international/documents/innovative_financing_global_level_sec2010_409en.pdf)



## ENVIRONMENT

### Commission backs targets for EU biodiversity strategy

Measurable sub-targets must be set to ensure a viable future biodiversity strategy, the Commission said at a recent workshop organised by the Green Group in the European Parliament. This reiterates the Commission's original position outlined in a Communication adopted in January 2010, which called for measurable sub-targets.

The Commission's view is that Europe will not meet its 2010 biodiversity goals because sub-targets were established. A first baseline for measuring biodiversity will be presented at the EU's Green Week in Brussels on 1 June.

CEMBUREAU is also active in this field, and will take the opportunity of Green Week to highlight the numerous actions being undertaken by the European cement industry regarding biodiversity conservation.

The Commission Communication on biodiversity beyond 2010 can be found here:

[http://ec.europa.eu/environment/nature/biodiversity/policy/pdf/communication\\_2010\\_0004.pdf](http://ec.europa.eu/environment/nature/biodiversity/policy/pdf/communication_2010_0004.pdf)

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## ENVIRONMENT

### Citizens not informed about biodiversity loss: study

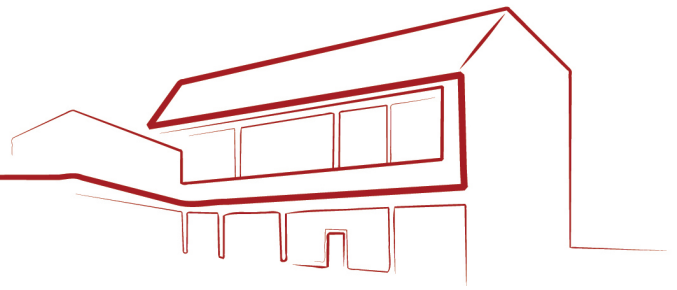
Many Europeans do not understand what is meant by biodiversity and do not feel well informed about biodiversity loss, according to a Eurobarometer survey published by the European Commission. Only 38% of Europeans know the meaning of the term, although another 28% have heard of it but do not know its meaning, according to the findings. A majority feel that biodiversity loss is a serious issue, although they do not think they will be personally affected by the decline, with only 17% of respondents agreeing that they are already touched by it.

The Commission has therefore decided to launch a campaign aimed at informing the public about the loss of biodiversity in the EU. The EU-wide campaign, which coincides with the UN's designation of 2010 as the Year of Biodiversity, aims to raise awareness through a website, a video clip, PR actions, street art and media.

The Eurobarometer report on biodiversity loss can be found here:

[http://ec.europa.eu/public\\_opinion/index\\_en.htm](http://ec.europa.eu/public_opinion/index_en.htm)

Council conclusions on biodiversity loss can be found here:



<http://register.consilium.europa.eu/pdf/en/10/st07/st07536.en10.pdf>

## ENVIRONMENT

### Commission launches tender on Eco-design Directive study

The Commission has launched a tender for a study on the amended working plan under the Eco-design Directive. The study is intended to bring together and complement available information on which product groups should be included among the indicative priorities. The study also aims to give stakeholders the opportunity for early input.

The Commission also says that the study will take into consideration that the scope of the Eco-design Directive has been amended, and should therefore consider all energy-related products, including energy-using products not yet targeted for developing implemented measures under the Directive, as candidates to include in the second working plan. The contract will last 15 months. The deadline for proposals is on 15 June 2010.

The invitation to tender can be found here:

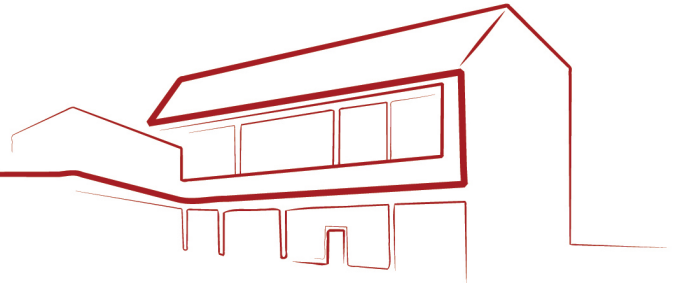
[http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc\\_id=5740&am;userservice\\_id=1&request.id=0](http://ec.europa.eu/enterprise/newsroom/cf/document.cfm?action=display&doc_id=5740&am;userservice_id=1&request.id=0)

## ENVIRONMENT

### Amendments to draft recommendation on IPPC Recast published

Parliament's Rapporteur, Holger Kraemer (EPP, Germany), on the on the proposal for a Directive on industrial emissions (integrated pollution prevention and control) has published 353 Amendments to the draft recommendation for a second reading. Speaking during a discussion of the draft recommendation for the second reading in Parliament's Environment Committee in March, Mr Kraemer said that the Council position "does not look like environmental legislation but like a list of exceptions" and that reaching an agreement between Parliament and Council was going to be difficult.

Energy-intensive industry sectors support the Council common position as adopted on 16 February 2010 as it lays down a framework with sufficient, but not unrestricted, flexibility and transparency to enable an effective implementation of the Directive and as it accounts for some of the EP 1st reading amendments. The Council common position constitutes a significant change compared with the existing situation as it requires that the emission performance of all industrial installations be within the ranges of Best of Available Techniques Associated Emission Levels (BATAELs), unless derogations are justified from an environmental and economic point of view.



The Parliament's Environment committee was supposed to adopt the draft recommendation for second reading on the IPPC Recast on 27 April 2010, but this date has been rescheduled.

The committee vote will now take place on 4 May 2010. The indicative date for the vote in EP plenary is 6 July 2010.

CEMBUREAU has prepared a voting list.

Amendments 53 - 165 can be found here:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-439.994+01+DOC+PDF+V0//EN&language=EN>

Amendments 166 - 284 can be found here:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-439.995+01+DOC+PDF+V0//EN&language=EN>

Amendments 285 - 353 can be found here:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-440.003+01+DOC+PDF+V0//EN&language=EN>

## ENVIRONMENT

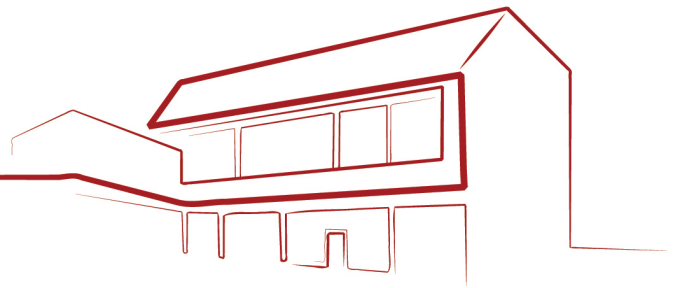
### Commission launches tender for study on IPPC penalties

The Commission has launched a call for tender for a study on the provisions on penalties related to legislation on industrial installations. The Commission says that the implementation of these provisions in certain Member States will have to be assessed thoroughly through case studies and interviews, with a view of complying with the objectives of European Union law, as well as supporting Member States in complying with these requirements. The deadline for receipt of offers is 17 May 2010.

The contract notice can be found here:

<http://ted.europa.eu/udl?uri=TED:NOTICE:98320-2010:TEXT:EN:HTML>

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## BUILDINGS & BUILDING MATERIALS

### Council adopts Common Position on building energy performance proposal

The Council adopted its Common Position on the proposal for a Directive on the energy performance of buildings on 14 April. The Common Position incorporates the informal agreement found with Parliament on the proposal, and follows a draft statement from the Council on its Common Position. The European Parliament's vote on the proposal has been postponed until May 2010.

The Common Position briefly recalls the steps accomplished towards reaching an early agreement between the Council and Parliament. The Position includes the agreement that in 2020 all new buildings (commercial and households) will have to be "nearly-zero energy" buildings, while by 2018, all new public sector buildings will have to be "nearly-zero energy" buildings. Furthermore, a possibility to upgrade existing buildings to "nearly-zero" energy buildings was inserted in the text, while the Council also wants to see a voluntary EU certification scheme for the non-residential sector. The Council text also has a stronger focus on renewable energies, along with a revision clause for 2017. The Council also wants to see the 1000 m<sup>2</sup> threshold for refurbishing buildings removed.

There were no votes in the European Parliament plenary session in April because of the disruption of air traffic in Europe. Consequently, the vote on the proposal for a Directive on energy performance of buildings has been postponed, probably until May 2010.

The Council's position at first reading on the energy performance of buildings proposal can be found here:

<http://register.consilium.europa.eu/pdf/en/10/st05/st05386-re03.en10.pdf>

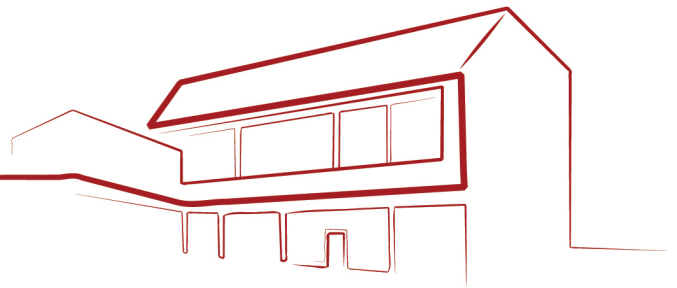
The Council's draft statement on its Common Position can be found here:

<http://register.consilium.europa.eu/pdf/en/10/st05/st05386-ad01.en10.pdf>

## BUILDINGS & BUILDING MATERIALS

### Commission considers possible water performance of buildings Directive

The Commission is considering a proposal for a Directive on the water performance of buildings according to the Commission's 2010 Work Programme, which was published on 31 March 2010. A follow-up Report on the Communication on Water Scarcity and Droughts, published on 19 December 2008, highlighted the need to improve water efficiency through a possible proposal on the water performance of buildings.



In the same Report, the Commission announced that it would launch a study assessing the need for such a Directive. The Commission now plans to carry out an assessment of the need for a Directive on the water performance of buildings in 2010.

A proposal would not be prepared until 2011 at the earliest.

The Commission's follow up report can be found here:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0875:FIN:EN:PDF>

## BUILDINGS & BUILDING MATERIALS

### Council Working Party discusses future construction products Regulation

The Council Working Party on Technical Harmonisation discussed the proposal to revise the construction products Directive on 12 April 2010 and turn it into a Regulation. Council Working Party discussions have focused on the key areas identified in the amended proposal presented by the Commission in October 2009.

Discussions have therefore focused on a further examination of Member State positions on Article 3 on the Basic Works Requirements and essential characteristics, Article 4 on conditions for drawing up the declaration of performance concerning issues related to the mandatory or voluntary character of the CE-marking and Article 5 on the content of the declaration of performance.

The Council Working Party on Technical Harmonisation will continue to meet throughout May in order to finalise the text. The Council is provisionally scheduled to meet on 25 May 2010 to hold formal discussions on the proposal with a view to reaching a political agreement on the text. The Council's amended text or 'Common Position' is expected to be adopted on 26 May 2010.

The Commission's amended proposal can be found here:

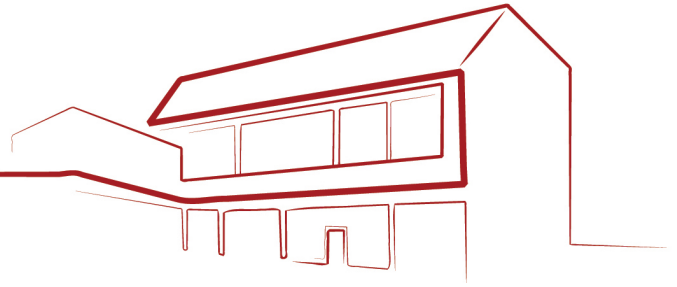
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0579:FIN:EN:PDF>

## HEALTH AND SAFETY

### REACH - 2010 registration: list of substances identified

The list of substances which companies intend to register under REACH in 2010 has been published by ECHA. This list is based on feedback received from companies and registrations already submitted.

The publication of this list allows downstream users, manufacturers and importers to check that registrations are being prepared for substances which must be registered in 2010. It is important



as substances which are not registered by the end of the year when they should be, cannot legally be manufactured, imported or used within the EU after 1 December 2010.

Flue dust, Portland cement (EINECS 270-659-9) is on the list as well as fly ash (ashes (residues) EINECS 268-627-4), blast furnace slag (Slags, ferrous metal, blast furnace, EINECS 266-02-0) and calcium sulfate (EINECS 231-900-3; 603-783-2 (gypsum)).

Unfortunately, several substances which are clearly exempt from Registration (see Guidance document on REACH Annex V) as Cement, alumina, chemicals (EINECS 266-045-5) and petroleum coke (EINECS 265-080-3) are also on the list. In addition, several reaction products or reaction masses containing cement clinker or Portland cement will apparently also be registered. The REACH Alliance, member of the Directors Contact Group, is in contact with ECHA regarding these inconsistencies.

## HEALTH AND SAFETY

### REACH - ECHA publishes REACH Annex V Guidance document

ECHA has published the Guidance document for Annex V of REACH. Annex V covers exemptions from registration. The document confirms exemptions from registration for cement clinker and for petroleum coke. Furthermore, CEMBUREAU is satisfied with the text regarding hydrated/anhydrous forms of substances.

The guidance document can be found here:

[http://guidance.echa.europa.eu/docs/guidance\\_document/annex\\_v\\_en.pdf](http://guidance.echa.europa.eu/docs/guidance_document/annex_v_en.pdf)

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## WASTE

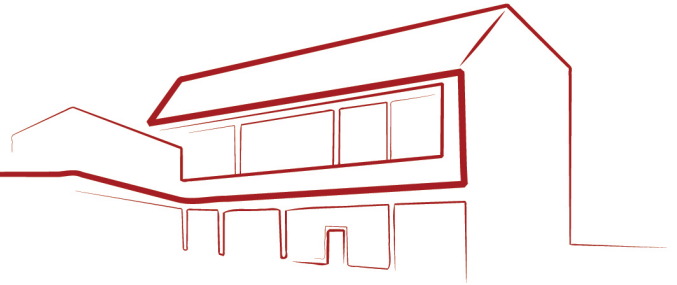
### Review of EU recycling Directives to begin in 2012

The Commission will begin a full review of EU recycling Directives in 2012, according to the Commission's 2010 Work Programme, which was published on 31 March 2010. The Commission's aim would be to simplify existing product-specific legislation on waste and ensure their coherence with Directive 2008/98/EC on waste (the Waste Framework Directive). Directive 2008/98/EC on waste sets environmental standards for recycled waste to be reused as secondary raw material, material-specific long-term recycling targets and set out the waste prevention and management hierarchy as priority order in waste.

Waste acquis includes Directive 91/689/EEC on hazardous waste; Directive 86/278/EEC on



# The European Cement Association



sewage sludge and Directive 1999/31/EC on landfill waste. The Commission will begin the review of the Directives in 2012.

The Waste Framework Directive can be found here:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:312:0003:0030:EN:PDF>

## CEMBUREAU

Join us at Green Week

Running from 1 - 4 June, the theme of this year's Green Week is biodiversity. Via the European Minerals Day partners, CEMBUREAU will be present at this year's event. Come and visit the EMD stand, which will be located on the first floor (stand 30). This event will provide the sector with an opportunity to demonstrate its actions in terms of biodiversity conservation. Site visits are also envisaged.

For more information, please contact: [aj.johnson@cembureau.eu](mailto:aj.johnson@cembureau.eu)

or visit: [www.greenweek2010.eu](http://www.greenweek2010.eu)

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