

## EDITORIAL

### IED adopted: stricter constraints will make NO<sub>x</sub> and SO<sub>2</sub> trading unnecessary

It was a close shave but, in the last days of the Spanish EU Presidency, the compromise proposal on the IED, which had been hammered out with considerable difficulty in the Council, was approved by the European Parliament by 639 votes. This vote ends a very tense second reading marked also by dissent between Member States. The final text is to be approved at any time by the Council without any further discussion and the new legislation should be published in the OJ before the end of the year.

CEMBUREAU welcomes this outcome. The new legislation tightens the screw: it will from now on be more difficult for permitting authorities to justify departures from the BAT on local or technical grounds. But this is only common sense: permits will have to state the reasons for such derogations. The European Commission may in the future provide guidance regarding the criteria for derogation.

Other key features are to be highlighted:

- » EU-Wide minimum requirements will be based on an assessment of the impact of the activities concerned on the environment as a whole, and the state of implementation of best available techniques for the activities concerned;

- » The Information Exchange Forum (IEF) must be consulted as part of the assessment;

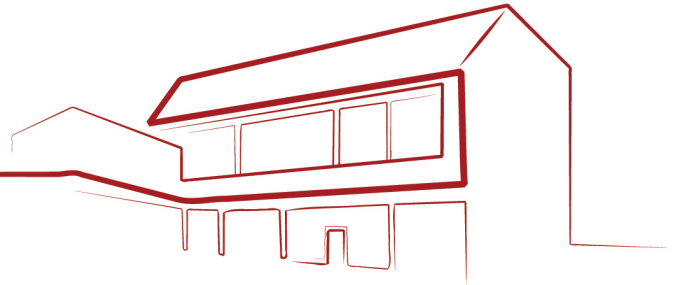
- » Limit values must be set within the scope of the 'BAT conclusions'.

The cement industry was mostly pre-occupied with the revision of the Incineration of Waste Directive (2000/76/EC) which will, from now on, be included in the IED like some other daughter Directives are, i.e., the Large Combustion Plants Directive, the Solvents Emissions Directive and 3 Directives on Titanium Dioxide.

All is well on this front as the provisions of the Incineration of Waste Directive key to recovery of selected waste streams in cement plants are maintained in the new Directive, i.e.:

- » the special provision for CO;

- » until 1 January 2016, the competent authority may authorise exemptions from the limit value of NO<sub>x</sub> for Lepol kilns and long rotary kilns provided that the permit sets a total emission limit value for NO<sub>x</sub> of not more than 800 mg/Nm<sup>3</sup>.



The new, tougher legislation should speed up progress towards the clean air objectives of the EU. Already under the initial IPPC Directive, a good part of the way has been made. Just as the IED was being adopted, EEA (the European Environment Agency) reported a further fall of NO<sub>x</sub> emissions in the EU. Since 1990, European NO<sub>x</sub> emissions from industry have decreased by 40%. Since 1990, industry emissions of SO<sub>2</sub> have decreased by about 75%<sup>1</sup>.

As a result of the implementation of the newly revised EU policies, emissions are expected to further decline until 2020. This is no doubt a reliable assessment. Then why on earth is the European Commission still so keen to introduce a trading scheme for NO<sub>x</sub> and SO<sub>2</sub> emissions, two pollutants well regulated under the IPPC and the Industrial Emissions Directives? As already indicated in Eurobrief, such scheme would make little sense and quoting as an example the cement industry as the sector that would benefit from such a scheme is farfetched.

The Commission, however, is adamant. It seems to be intellectually and ideologically attracted to a copy-paste of the EU-ETS in respect of the other two pollutants notwithstanding the fact that NO<sub>x</sub> and SO<sub>2</sub> are local, as opposed to global, pollutants and that these pollutants, unlike CO<sub>2</sub> before the Emission Trading Directive, are already well addressed under the IPPC-IED and the NEC Directive (2001/81/EC).

In order to justify its ideological choice, Commission is relying heavily on the ENTEC study which has just been published in June 2010 and will form a key part of the Impact Assessment. CEMBUREAU has drawn the attention to serious deficiencies in the ENTEC study. This was recognised but, in its final version, the superficial conclusion reached by ENTEC is that those errors do not affect the overall conclusion. The cement industry is still held out as a sector where NO<sub>x</sub> and SO<sub>2</sub> trading would be beneficial. The ECOFYS study, on the same topic, is far more cautious. It concludes that there could be a potential for NO<sub>x</sub> trading in the cement industry if allowances are allocated for free but adds that this conclusion is only a purely theoretical conclusion. In the real world, whether a benefit can be realistically expected is at least questionable, says ECOFYS.

SO<sub>2</sub> trading would clearly present a serious risk for the cement industry concludes ECOFYS. CEMBUREAU, for its part, will continue to recommend caution.

The position of the European Parliament adopted at second reading is available here:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2010-0267+0+DOC+XML+V0//EN&language=EN#BKMD-4>

*1 European Environment Agency 2010*