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# **EU INDUSTRIAL EMISSIONS DIRECTIVE REVIEW – EUROMOT COMMENTS ON THE INCEPTION IMPACT ASSESSMENT**

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Brussels, 20<sup>th</sup> April 2020

EUROMOT welcomes the Commission’s initiative to consult stakeholders on the [Industrial Emissions Directive](#) (IED) revision process. We have been active in past [LCP BREF 2017](#) and [IED consultation](#) processes. In the paragraphs below we provide our response to some specific sections of the Commission’s [inception impact assessment](#) on the IED review.

## **1. Section A: Context, Problem definition and Subsidiarity Check**

Quote “*The European Green Deal commits the Commission to review ... from large industrial installations ... fully constituent with climate ... policies. ...*”. The [Green Deal](#) strategy refers to the “Taxonomy” for sustainable economic activities as a tool to strengthen foundations of sustainable investment. The Final Taxonomy Report [Technical Annex](#) (March 2020) contains e.g. criteria thresholds for an activity to be identified as “substantially contributing to climate change mitigation”. Unfortunately, many of the established criteria thresholds do not reflect the state of play in the current technology development nor the realistically foreseeable development in coming years. The Technical Annex is for many activities based on assumptions on [technologies that are not mature enough](#), and will probably not be for many years to come – most notably, the CCS technology. The Platform on Sustainable Finance (expected to be operational in Autumn 2020) should thus carefully assess the set criteria thresholds: the objective should be to encourage – not hinder – the use of available, viable cost-efficient low carbon alternatives (see also paragraph 2 below).

## **2. Section B: Objectives and Policy Options**

We make a list of proposals to enhance the performance of the IED, focusing on a few aspects mentioned in the inception impact assessment.

### **“Interaction with decarbonisation of industry”:**

The [LCP BREF](#) contains BAT-AEELs for efficiency (a proxy for CO<sub>2</sub>) and for some prime mover BAT-AEL CH<sub>4</sub>-limits. From this data, BAT GHG limits can be worked out and included in the

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IED process (as suggested by EUROMOT in the past: [here](#) – parag. 4 – and [here](#) – parag. 6.2). This [would allow](#) (parag. 3) a cost-effective and environmentally sound decarbonisation of the EU electricity grid and a deep penetration of intermittent renewable energy into the grid.

**“Implementation issues”:**

[IED](#) Art 15(3) requires that emissions under normal operating conditions do not to exceed the BAT limits in LCP BREF. E.g. variations in gas quality and composition (sulphur content etc.) within the EU and in operational conditions put stress on oxidation catalysts needed for abatement of unburned emissions (CO, formaldehyde): in these cases, the highest possible flexibility would be needed in the IED framework. IED Art.15(4) allows emission derogations for e.g. remote areas but Annex V limits must not be exceeded anyway. Annex V limits are similar to the max. LCP BREF limits for e.g. gas engines: this means, in practice, no flexibility. EUROMOT has proposed that the approved split views of LCP BREF could be a basis to develop a real flexibility option for installations affected by Art. 15(4). For additional information, please see a number of papers EUROMOT has published in the past: [here](#), [here](#), [here](#) (chapter 2.2.2) and [here](#) (chapters 2, 3, 4).

**“BREF Process”:**

In order to increase *effectiveness & efficiency*: the ECM BREF 2006 (cost aspects) needs a higher rank in decision making. As to *relevance*: approved dissenting views should be used for e.g. remote areas. “*Commission Implementation Decisions*” should also be strengthened in order to secure a balance in the TWG discussions. See the EUROMOT paper [here](#) for additional information.

### **3. Section C: Preliminary Assessment of Expected Impacts – likely economic impact**

Quote: “*Industry is likely to need to make significant investments .. to support .. climate neutrality. Industry may also be able to contribute to reducing resource use and promoting a more circular economy...*”

In paragraph 2 we have proposed a cost-effective way which will help the EU achieve its climate ambitions. When renewable fuels such as Power to X become available in bigger amounts, Power to X options will, in turn, enable a further expansion of renewable energy. For additional information, see [this article](#) and [this article](#). We would also like to provide a proposal to strengthen the circular economy dimension: fuels based on Absolute Non-Hazardous (ANH) waste should be classified as non-hazardous and plant using those fuels should be allowed to apply Chapter III and Annex V emission limits. Today all fuels made from waste have to follow chapter IV and Annex VI, which increases the costs of the installation. By following this approach virgin fuel consumption would decrease and waste would be utilized more efficiently. See this EUROMOT [paper](#) (chapter 2.3.2) for additional information.

### **4. Section D: Evidence Base, Data collection and Better Regulation Instruments**

We ask the Commission to consider the data and evidence provided in the sources included in this paper.

**For more information please contact:**

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