

Cepi's position paper on the review of the Industrial Emissions Directive

Background:

The Confederation of the European Paper Industries (Cepi) highlights that **the Industrial Emissions Directive (IED)** proved, also via its fitness check, that the Directive **is fit for purpose**. The IED and the sector-specific BAT conclusions have delivered a considerable reduction of industrial emissions and achieved the goals they were set up to fulfil. For the European pulp and paper industry the IED has contributed to reducing emissions, not covered by the Emissions Trading Scheme (ETS), to both water and air. The Chemical Oxygen Demand (COD) emissions to water for the industry have decreased by 77% per tonne of output between 1991 and 2018, whereas sulphur dioxide emissions (SO₂) to air have decreased by 93% per tonne of output between 1991 and 2018.

As the Commission is putting forward a proposal for the revision of the IED to ensure this Directive is aligned with the increased ambition of the European Green Deal, Cepi would like to highlight that the established revision and update of **BREF documents and BAT conclusion would be an effective way to push for improved environmental performance in industrial installations**. While, we also agree that **the BREF process can and should still be improved**, from the identification of key parameters to the control checks in the different member states, **we fear that enlarging the scope of the IED to topics like climate change and the circular economy would be more detrimental than beneficial**. We believe that those concerns can be better addressed via other pieces of legislation, which have a broader and more systemic approach, that differs from the installation-level focus we have in the IED.

We urge policymakers to preserve the core principles behind the IED, which include basing requirements on the Best Available Technologies (BAT), maintaining the IED's integrated approach, and its technology neutrality, keeping the Sevilla process and protecting the flexibility already granted to certain plants. We believe that the following principles should be considered during this revision process:

- **Requirements for the industry must be based on the BATs. Local flexibility in the environmental permitting process**, i.e. plant-specific considerations, **must be ensured**. Specifically, in the pulp and paper sector, due to the wide range of raw materials used, different wood species, fresh and/or recovered fibers, as well as a very broad product portfolio, ranging from tissues, printing, and writing paper to different kinds of packaging paper, the application of identical BATs for different mills results in variable emission levels. Additionally, it is important to highlight that plant specific considerations, such as its location, may further contribute to defining the specific requirements for the overall environmental performance.
- **The cost impacts of possible emission reduction measures need to be reasonable in relation to the environmental benefits they can deliver**. Balance is needed between the increased environmental ambition and **safeguarding the competitiveness of the EU industry**. Global competitiveness should be taken much more into account in future processes of IED and BREF, also to avoid carbon leakage.
- Considering the minimum overlap principle, as outlined in the EU Better Regulation Guidelines, **the creation of concurring legislation and reporting requirements must be avoided at all costs**. The **IED must maintain its defined focus on industrial emissions without overlapping with other pieces of legislation**, such as the Waste and the Water Framework Directives, as well as the Emissions Trading Scheme (ETS), the Energy Efficiency Directive (EED), and REACH. **Where there are conflicting goals, the possibility of weighing different environmental aspects against each other needs to be clarified**.

Industry concerns:

- **Requiring competent authorities, under Article 15(3), to set permit ELVs on the strictest possible emission limit values goes against the principles of the BAT AEL range concept**. Such requirement openly conflicts with the principles on which the IED relies, including its holistic and integrated approach, and the careful consideration of cross media effects. The approach proposed by the Commission disregards completely the complexity and variability that characterizes different plants within the same industry. **Setting ELVs by default at the strictest possible emission levels is equivalent to assuming that all mill operators could reach the minimum level of emissions overall, which is technically unfeasible and economically unviable**.
- The application of the same BATs can lead to a naturally heterogeneous results in different mills. This is due to different factors, such as the raw materials used, the products manufactured, and processes variability. Unlike what the Commission suggests, the presence of heterogeneous figures, derived from the same BAT AELs ranges, does not suggest that the application of the techniques is different across Europe. This rather indicates that, while staying within the range and applying

the same techniques, results may vary depending on different considerations such as wood species used, and products manufactured. Such heterogeneous figures, derived from the same ranges, suggest that ranges need to be preserved.

- Techniques leading to minimum emissions have cross-effects on other parameters and it is technically impossible to have minimum emission levels for all emissions and parameters (ex. S and NO_x emission from Chemicals and Energy Recovery Area, SNCR minimizes NO_x emission but leads to NH₃ – slip emissions,..);
- Minimizing the results for one emission can lead to higher emission level for the other parameters, require more energy use or generate more waste. Flexibility by means of ranges is, therefore, necessary to allow to adopt the optimal balance based on the specific circumstances. Many abatement technologies will require a higher amount of energy compared to today's state of the art technologies, while reducing air and wastewater emissions will increase waste volumes.
- The AEL ranges are formed by collecting data on actual emissions and technologies in use from European installations. These ranges represent combinations of different technologies and it is often not possible to combine them freely. The minimum levels can often refer to special local conditions that justify the application of certain techniques that may not be applicable in other locations.
- Emission levels are largely determined by the design of the plant. The service life of forest industry plants is long, and it is also capital intensive. Within its service life, it is possible to introduce various “end of pipe/chimney technologies”, but the basic dimensioning or design of the plant can only be changed to a limited extent. Being capital intensive, at any given moment one process area/equipment is the bottleneck and another process has been recently updated, making it technically impossible to have all parameters on different process emissions at a minimum level.

To ensure the success of the IED is maintained and that the Directive effectively delivers the best overall environmental and human health protection it is key to ensure that the BAT AEL ranges are defined in such a way that:

- **reflects the application of equivalent BATs on a different set of conditions;**
- **considers the cross effects of techniques on other parameters;**
- **Requiring competent authorities, under Article 15(3a), to set permit environmental performance limits.**
 - The optimization of resources, including raw materials and energy sources, is a priority for the industry to minimize costs. Nevertheless, setting BAT AEPLs, benchmarks, and binding targets to achieve resource optimization is a complex exercise that might not fully account for the differences between different plants and countries due to specific local conditions;
 - While legislation should allow making the most efficient use of all raw materials and enable energy efficiency, this should not be defined in binding documents at EU level. Resource efficiency, including raw materials, water, and energy, and consumption levels are dependent on product profile, size of the mill, type of raw material used, etc. These variables can be very different from plant to plant and from country to country, hence setting BAT AEL requirements for raw materials, water and energy efficiency would be a very time consuming and inefficient exercise. For instance, to achieve the same paper strength, starting from different raw materials, we will need different chemicals and water usage, while also requiring different energy input and producing different amounts of waste;
 - Performance levels are not exclusively under the control of the operator of the installation. Circular economy related performance indicators, for instance, are highly dependent on the availability of industrial symbiosis opportunities at site level;
 - Introducing environmental performance limits will increase the risk of overlapping with other European legislation on different subjects, such as REACH, waste and water management. To ensure legal certainty for all the parties, competent authorities, citizens, and industry, consistency among different pieces of legislation are indispensable, whereas overlapping and double regulation need to be avoided at all costs.
 - Introducing automatic restrictions on the use of SVHCs under the IED, would disregard the actual risk posed by these chemicals and thereby fundamentally change the management of chemical safety, without adding value to the protection goals of REACH. Instead, it would make the Sevilla process slower with little to no added value for the environment.

Therefore, for parameters such as resources, energy, water, chemicals, and emission, the IED should rely on the definition of the available BATs and their suitable application should be addressed at installation permitting level. Such an approach, besides guaranteeing the overall environmental and human health protection, also avoids the unnecessary complexity and excessive burden of deriving BAT AEPL and benchmark ranges.

- **Deletion of paragraph 2 of Article 9, which exempts industrial plants from setting energy efficiency ELV requirements in permit conditions if they are regulated by the EU ETS. Although our industry has a strong commitment to decarbonization, we would like to point out that the Energy Efficiency Directive is already aligned with the EU's 2030 and 2050 targets. Hence, we believe the IED should avoid creating potential overlaps with the EED and the ETS.**
 - Introducing requirements relating to energy efficiency in respect of combustion units, which are already covered by the ETS, will increase complexity and place additional administrative and financial burden on the industry without any clear added environmental benefit;

- The fight against climate change and/or for energy efficiency is framed and regulated by other legislation (e.g. ETS, EED, and the Renewable Energy Directive). To follow the IED logic, it should also be stressed that one should optimise emissions and parameters only whilst having an eye on the impact on the climate parameters;
- **The new definitions introduced via Article 3, including BAT-AEPLs and benchmarks, are confusing and might lead to unnecessary uncertainty.**
- **Innovation should be incentivized but not imposed. Introducing emission levels associated with emerging techniques and setting limit values based on them should be avoided.** While we welcome the Commission's intention to support innovation, we do not support the mandatory introduction of 2030-2050 transformation plans for installations as a requirement for the permit review process.
- By definition emerging technique' means "a novel technique for an industrial activity that, if **commercially developed**, could provide either a higher general level of protection of the environment or at least the same level of protection of the environment and higher cost savings than existing best available techniques". Therefore, if not commercially developed **it is still not an available technique making it impossible to derive sound and reliable associated emission levels** as a result of data gathered in different mills, processes and situations.
- Overall environmental performance improvement through innovation and adoption of emerging techniques must be obtained by supporting mechanisms (simplified permitting processes, financial or tax incentives...) that would facilitate the testing and adoption of these techniques to accelerate their availability and reduce investment costs.
- Legal and planning security are indispensable for the economic activities of industry, especially as the investment cycles of the industry can be very long, industrial emissions requirements in the IED, and requirements in the European air quality directives, must be regulated reliably and on a long-term basis;
- In the current proposal too little detail is given on the content of the 2030-2050 transformation plans to elaborate a position. However, the possibility of linking such transition plans, which according to the proposal should be indicative, related to innovation, and based on 20-year predictions to the permitting process, which is a binding for the operator, must be avoided.