DRAFT OPINION

of the Committee on Industry, Research and Energy

for the Committee on the Environment, Public Health and Food Safety

on the proposal for a directive of the European Parliament and of the Council on the limitation of emissions of certain pollutants into the air from medium combustion plants (COM2013/0919 – C7-0003/2014 – 2013/0442(COD))

Rapporteur: Fredrick Federley
SHORT JUSTIFICATION

Background
Air pollution is a truly transboundary problem and many Member States import a significant part of their air pollution from neighbouring countries. Action at Union level is therefore necessary to establish a coherent and ambitious framework to tackle emissions.


However, there is currently no specific regulation at EU level of emissions of air pollutants from medium combustion plants (plants with a rated thermal input between 1 and 50 MW) (MCP) and the rapporteur welcomes the Commission proposal's aim of filling this gap so as to create a more coherent regulatory environment.

The proposal is important for several reasons. Firstly, according to the Commission impact assessment, air pollution is estimated to lead to more than 400,000 premature deaths per year and health costs of up to €940 billion. It also contributes to significant environmental degradation with 62% of the EU area exposed to eutrophication and economic damage such as €15 billion from lost workdays, €4bn healthcare costs, €3bn crop yield loss and €1bn damage to buildings. Secondly, reducing emissions from medium combustion plants can contribute to achieving the EU climate and energy targets, in reducing greenhouse gases, improving energy efficiency and promoting renewables. By acting now and filling the current regulatory gap, we can provide clear signals for investments and provide further incentives for research and innovation in breakthrough technologies. This will create conditions for European businesses to lead in green innovation, with enormous potential in export markets. For example, air pollution alone costs China 12-13% of GDP every year.

Clarifications and changes proposed by the rapporteur

However, there are a number of points that need to be clarified and improved in relation to the Commission proposal. The rapporteur has identified the following main points.

Relation to existing legislation
The regulatory framework needs to be coherent and risks of double regulation should be avoided. In particular, there is a need to clarify the relation between the current proposal and the Industrial Emissions Directive already in force.

SME-perspective
Given that about 75% of the MCPs are run by SMEs, special attention has to be given not to impose an excessive administrative burden. SMEs do not have the administrative capacity of larger companies and there are several parts of both the current proposal and the Council position where this perspective is lacking.

**Cost effectiveness**

There is a clear need to strike a proper balance between the costs for businesses and environmental and health gains. While it is clear that we need emission limit values, these need to be proportionate and work in practice. At the same time, the rapporteur believes that there is a strong case for an ambitious framework.

**Flexibility**

The Commission proposal already differentiates between new and existing plants. However, there is scope to improve the flexibility for the smallest existing plants up to 5 MW, for which the costs could be relatively high.

**AMENDMENTS**

The Committee on Industry, Research and Energy calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to take into account the following amendments:

**Amendment 1**

**Proposal for a directive**

**Recital 5**

*Text proposed by the Commission*


*Amendment*


Or. en

Justification

The legislative gap between the ecodesign Directive and this directive should be addressed in the ecodesign Directive, as proposed in the Council position.

Amendment 2

Proposal for a directive

Recital 9

Text proposed by the Commission

(9) This Directive should not apply to energy related products covered by implementing measures adopted in accordance with Directive 2009/125/EC or by Chapter III or IV of Directive 2010/75/EU. Certain other combustion plants should also be exempted from the scope of this Directive, on the basis of their technical characteristics or their use in particular activities.

Amendment

(9) This Directive should not apply to energy related products covered by implementing measures adopted in accordance with Directive 2009/125/EC or by Chapter III or IV of Directive 2010/75/EU. Certain other combustion plants should also be exempted from the scope of this Directive, on the basis of their technical characteristics or their use in particular activities. No combustion plant should be subjected to double regulation. If needed, the Commission should come forward with clarifying guidelines.
Amendment 3
Proposal for a directive
Article 3 — point 6

Text proposed by the Commission

(6) 'existing combustion plant' means a combustion plant put into operation before [1 year after the date of transposition];

Amendment

(6) 'existing combustion plant' means a combustion plant put into operation before [1 year after the date of transposition] or for which a permit was granted before [date of transposition] pursuant to national legislation provided that the plant is put into operation no later than [1 year after date of transposition];

Justification
Clarification as proposed in the Council position.

Amendment 4
Proposal for a directive
Article 3 — point 16

Text proposed by the Commission

(16) ‘operating hours’ means the time, expressed in hours, during which a combustion plant is discharging emissions into the air;

Amendment

(16) ‘operating hours’ means the time, expressed in hours, during which a combustion plant is operating and discharging emissions into the air, excluding start-up and shut-down periods;

Justification
Clarification that normal operation conditions should apply, as proposed in the Council position, and also in line with what is stipulated in the Industrial Emissions Directive.

Amendment 5
Proposal for a directive
Article 3 a (new)

Text proposed by the Commission

Amendment

Article 3a

Aggregation rules

1. Member States may consider the combination formed by two or more new medium combustion plants as a single medium combustion plant for the purpose of this Directive and add their rated thermal input for the purpose of calculating the total rated thermal input of the plant, where:

- the waste gases of such medium combustion plants are discharged through a common stack; or

- taking into account technical and economic factors, the waste gases of such medium combustion plants could be discharged through a common stack.

Or. en

Justification

In the Council position, mandatory aggregation rules are proposed. The reasoning behind the Commission refraining from proposing aggregation rules is the heavy administrative burden this might imply. However, several Member States already have aggregation rules in place. This amendment makes aggregation rules voluntary, thus making it possible for Member States to continue with aggregation rules, but at the same time does not force any Member State to introduce it.

Amendment 6

Proposal for a directive
Article 4 – title

Text proposed by the Commission

Amendment

Registration

Permit and registration

Or. en

Amendment 7
### Proposal for a directive

#### Article 4 – paragraph 1

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Member States shall take the necessary measures to ensure that medium combustion plants are operated <em>only if they are registered by the competent authority.</em></td>
<td>1. Member States shall take the necessary measures to ensure that <strong>no new</strong> medium combustion plants are operated <strong>without a permit or registration.</strong></td>
</tr>
</tbody>
</table>

**Justification**

*It should be up to the Member States whether they choose a permit or registration system, as proposed in the Council position.*

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**Amendment 8**

**Proposal for a directive**  
**Article 4 – paragraph 1 – subparagraph 1a (new)**

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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</thead>
<tbody>
<tr>
<td>Member States shall take the necessary measures to ensure that as of 1 January 2025 no existing medium combustion plant with a rated thermal input above 5 MW is operated without permit or registration.</td>
<td>Member States shall take the necessary measures to ensure that as of 1 January 2030 no existing medium combustion plant with a rated thermal input of 5 MW or less is operated without permit or registration.</td>
</tr>
</tbody>
</table>

**Justification**

*It should be up to the Member States whether they choose a permit or registration system, as proposed in the Council position.*

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**Amendment 9**

**Proposal for a directive**
Article 4 – paragraph 2

**Text proposed by the Commission**

2. The procedure for registration shall include at least a notification to the competent authority by the operator of the operation or the intention to operate a medium combustion plant.

**Amendment**

2. Member States shall specify the procedure for permitting and registration. This shall include at least an obligation for the operator to notify the competent authority of the operation or the intention to operate a medium combustion plant.

**Justification**

It should be up to the Member States whether they choose a permit or a registration system, as proposed in the Council position.

Amendment 10

Proposal for a directive
Article 5 – paragraph 2 – subparagraph 3

**Text proposed by the Commission**

Member States may exempt existing medium combustion plants which do not operate more than 500 operating hours per year from compliance with the emission limit values set out in Part 1 of Annex II. In that case, for plants firing solid fuels, an emission limit value for particulate matter of 200 mg/Nm³ shall apply.

**Amendment**

Member States may, in extraordinary circumstances, exempt existing medium combustion plants which do not operate more than 1000 operating hours per year as a rolling average over a period of 5 years from compliance with the emission limit values set out in Part 1 of Annex II. In that case, for plants firing solid fuels, an emission limit value for particulate matter of 200 mg/Nm³ shall apply.

**Justification**

There might be extraordinary circumstances where back-up/emergency plants need to be used at a temporarily higher capacity, such as extreme cold weather. The Council position also highlights this aspect.

Amendment 11

Proposal for a directive
Article 5 – paragraph 2 – subparagraph 3 a (new)
Until 1 January 2030, existing medium combustion plants with a rated thermal input above 5 MW may be exempted from compliance with the emission limit values referred to in this article provided that at least 50% of the useful heat production of the plant, as a rolling average over a period of 5 years, is delivered in the form of steam or hot water to a public network for district heating.

Justification

District heating plays an important, positive role in improving air quality locally, as expressed by the European Parliament in its report on a 2030 climate and energy policy framework. District heating also plays an important role in avoiding emission of pollutants from individual heating solutions in urban areas.

Amendment 12

Proposal for a directive
Article 5 – paragraph 3 – subparagraph 2

Member States may exempt new medium combustion plants which do not operate more than 500 operating hours per year from compliance with the emission limit values set out in Part 2 of Annex II. In that case, for plants firing solid fuels, an emission limit value for particulate matter of 100 mg/Nm³ shall apply.

Justification

There might be extraordinary circumstances where back-up/emergency plants need to be used at a temporarily higher capacity, such as extreme cold weather. The Council position also
highlights this aspect.

Amendment 13

Proposal for a directive
Article 5 – paragraph 4

Text proposed by the Commission

4. In zones not complying with EU air quality limit values laid down in Directive 2008/50/EC, Member States shall apply, for individual medium combustion plants in those zones, emission limit values based on the benchmark values laid down in Annex III or on stricter values established by the Member States, unless it is demonstrated to the Commission that applying such emission limit values would entail disproportionate costs and that other measures ensuring compliance with the air quality limit values have been included in the air quality plans required under Article 23 of Directive 2008/50/EC.

Amendment

4. In zones not complying with EU air quality limit values laid down in Directive 2008/50/EC, Member States may apply, for individual medium combustion plants in those zones, emission limit values based on the benchmark values laid down in Annex III or on stricter values established by the Member States, unless applying such emission limit values would entail disproportionate costs and that other measures ensuring compliance with the air quality limit values have been included in the air quality plans required under Article 23 of Directive 2008/50/EC.

Or. en

Justification

To clarify that these measures are voluntary for the Member States to apply.

Amendment 14

Proposal for a directive
Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

End of lifetime

1. Member States may exempt existing medium combustion plants with a rated thermal input of 5 MW or less from compliance with the limit values set out in Annex II and the monitoring and reporting requirements set out in Article 6 and Annex IV for 5 years from the
applicable dates set out in Article 5(2) provided that the operator of the medium combustion plant undertakes, in a written declaration submitted to the competent authority by 1 January 2024, the operation of the plant will end no later than 31 December 2034.

2. Within 1 year after the end of operation of the medium combustion plant according to the written declaration referred to in paragraph 1 the competent authority shall perform an inspection.

3. If the medium combustion plant is still in operation after 31 December 2034, it shall be considered as a new plant.

Or. en

Justification

The Council position suggests a limited life time derogation. This amendment is based on that idea, but with a lighter administrative regime.

Amendment 15

Proposal for a directive
Article 12 a (new)

Text proposed by the Commission

Review

The limit emission values for new plants shall be reviewed by the Commission in 2025, and for both new and existing plants in 2035. Thereafter, a review shall take place every 10 years. The review shall take into account the best available technologies and preferably take place in relation to the [Directive (EU) .../...]*.

*OJ: Please insert the number, title and reference contained in COD 2013/0443

Or. en
Justification

*With such long time spans, it is important to regularly review the Directive in light of new technology developments.*

**Amendment 16**

**Proposal for a directive**  
**Annex I - point 8**

*Text proposed by the Commission*  
8. In case the second subparagraph of Article 5(2) is used, a declaration signed by the operator to operate the plant not more than 300 hours per year.

*Amendment*  
8. In case the second subparagraph of Article 5(2) is used, a declaration signed by the operator to operate the plant not more than 800 hours per year *as a rolling average over a period of 5 years.*

Or. en

**Amendment 17**

**Proposal for a directive**  
**Annex II - Part 1 - Point 1 - line 4**

*Text proposed by the Commission*  
1. Emission limit values (mg/Nm³) for medium combustion plants other than engines and gas turbine  
   Pollutant: particular matter  
   Solid biomass: 30(1)

*Amendment*  
1. Emission limit values (mg/Nm³) for medium combustion plants other than engines and gas turbine  
   Pollutant: particular matter  
   Solid biomass: 30(1)

(1) Until 1 January 2035, 150 mg/Nm³ for plants with a thermal input below or equal to 5 MW, *thereafter 45 mg/Nm³*

Or. en

Justification

*For the smallest plants, the limit values for particulate matter for solid biomass proposed by the Commission would mean that they need to make heavy investments in a new, more*
efficient but also more costly cleaning technique. It makes sense, for the smallest existing plants, to have some extra time to use multicyclones.