

Revised EU rules on industrial pollution

During its March plenary session, the European Parliament is due to vote on the provisional political agreement reached with the Council on updated EU rules to prevent and control pollution from industry. The agreement, endorsed by the Committee on the Environment, Public Health and Food Safety (ENVI) on 11 January 2024, substantially amends the text originally proposed by the European Commission.

Background

The <u>Industrial Emissions Directive (IED)</u> is the main EU instrument regulating pollutant emissions from industry. The large installations undertaking the industrial activities listed in Annex I, including intensive livestock rearing, can only operate if they hold a permit, granted by national authorities. Permit conditions must be based on best available techniques (BAT, the most environmentally effective of the economically viable techniques available within the sector). The IED currently covers some <u>52 000</u> installations EU-wide.

European Commission proposal

The <u>proposal for a revision</u>, under the European Green Deal, would expand the IED's scope to cover more livestock farms, large-scale battery production and mining, and strengthen permit requirements and rules applying to breaches, with access to compensation for those affected. It would introduce measures to promote innovation, and require operators to produce, by mid-2030, transformation plans outlining how they will contribute to a sustainable, clean, circular and climate-neutral economy by 2050.

European Parliament position

Parliament adopted its <u>negotiating position</u> in July 2023; negotiations concluded on <u>29 November 2023</u> with a <u>provisional agreement</u>. To reduce emissions of pollutants, competent authorities are required to set in permits the strictest achievable emission limit values by applying BAT in the installation, considering the entire range of BAT-associated emission levels as well as cross-media effects. They must also set binding ranges for environmental performance when using BAT, with binding environmental performance limit values for water and indicative performance levels for waste and resources other than water. To support innovation, the agreement includes flexibility for emerging techniques. The co-legislators backed the inclusion of large-scale battery production and mining within the scope of the IED, with some adjustments.

For livestock farms, registration is introduced as an alternative to permitting. Thresholds agreed for pig, poultry and mixed farms to be subject to the IED are higher than those proposed by the Commission, while installations rearing pigs in an organic or extensive manner and outside for a significant amount of time in a year are excluded. Cattle rearing remains outside the scope of the IED. By the end of 2026, the Commission should assess the need for EU action to address emissions from cattle farming within the EU, as well as those from imported agricultural products (this reciprocity clause was advocated by Parliament). Rules on livestock rearing will apply progressively depending on the farm size, starting in 2030 with the largest farms.

The agreed text also requires Member States to establish e-permitting systems by the end of 2035, to reduce the administrative burden. And it includes amended rules on compensation and penalties, setting the minimum level of fines for the most serious infringements at 3 % of the operator's annual turnover in the EU.

First-reading report: <u>2022/0104(COD)</u>; Committee responsible: ENVI; Rapporteur: Radan Kanev (EPP, Bulgaria). For further information, see our 'EU legislation in progress' <u>briefing</u>.



Outcome of the Conference on the Future of Europe: This proposal is relevant for measures 2(2); 3(1); 5(3); 11(1); 12(5).

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