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BUSINESSEUROPE comments on the Medium Combustion Plants Directive

BUSINESSEUROPE has been made aware of the on-going review process performed by the Council Working Parties for Environment on the Medium Combustion Plants (MCP) Directive. The purpose of this paper is to express the views of industry regarding the progress made as well as the concerns that still need to be addressed in view of ensuring that the MCP Directive will not impose a disproportionate cost on industry in view of the Council WP meeting of 11 November 2014.

1. Positive developments:

While BUSINESSEUROPE thinks that the work done by the Council Working Party so far is improving the original Commission proposal on a number of points...:

- **Ensuring full consistency between existing and up-coming regulation**

BUSINESSEUROPE supports the proposals aiming at clarifying the scope of the MCPD. Avoiding differentiated treatment for similar activities via different regulatory regimes and ensuring that activities subject to BAT conclusions under the Industrial Emissions Directive (IED) would not be covered are two positive developments. Having regard to their specific nature though, a limited number of plants still need to be excluded from the scope.

- **Making Emission Limit Values (ELVs) more cost-effective**

BUSINESSEUROPE supports the proposed new structure, which introduces a set of different ELVs applicable to smaller plants (1-5 MW), as well as the recognition of the specificity of various categories of combustion plants like those fed with very specific fuels. While some ELVs have been amended with a view to make them cost effectively achievable, others remain only achievable through the application of very expensive abatement techniques that are not affordable for all operators (often SMEs). This still needs to be addressed.

- **Addressing specificities of Small Isolated Sites**

BUSINESSEUROPE supports the proposal to create a specific regime addressing the reality faced by those plants located on islands or on outlying areas outside of the national grid and by small isolated systems.

- **Avoiding a one-size-fits-all approach to local air quality challenges**

BUSINESSEUROPE supports the proposal to withdraw from the directive the obligation to set stricter ELVs (benchmarks) in zones not complying with air quality standards. This will not prevent local competent authorities to impose measures where appropriate according to the provisions laid down in the directive 2008/50/EC on ambient air quality and cleaner air for Europe.



2. Need for further improvements:

...A number of critical aspects still need to be addressed in order to strike the right balance between air quality challenges and protection of industrial competitiveness:

- With regard to subject matter specified in Article 1, BUSINESSEUROPE is convinced that the Directive should not be expanded to other parameters and lay down only rules to control emissions of sulphur dioxide, nitrogen oxides and dust into air. The proposals to include carbon monoxide should be rejected as it is a primarily operation control parameter.
- In order to ensure the Directive's coherence and consistency with IED and its scope, beside a support for the exemptions already integrated, BUSINESSEUROPE below proposes amendments to Article 2.2 and supports wording of Article 2.2 (m) that would ensure that industries, to which BAT conclusions apply, would be excluded.

Those plants already exempted under the IED from the EU-wide minimum requirements as well as specific plants due to their specific nature should also be excluded from the MCP Directive's scope (Article 2.2). For instance:

- combustion plants, in which the gaseous¹ products of combustion are used for direct heating, drying or any other treatment of objects or materials;
- combustion plants within refineries firing the distillation and conversion residues from the refining of crude-oil for own consumption, alone or with other fuels, taking into account the specificity of the energy systems of refineries;
- recovery boilers within installations for the production of pulp;
- research activities, development activities or the testing of new products and processes;
- any gas turbines and gas engines used on offshore platforms;
- emergency diesel engines and gas turbines provided for emergency electric supply.

For those medium combustion plants that are already covered by Chapter II of the IED and that will nevertheless be subject to this directive, inconsistency or double administrative and legal burdens shall be avoided. In particular, the definition of 'emission limit value' should be identical in both directives (Article 3 (2)) and those medium combustion plants should not be subject to the obligations of the operator (Article 6 and Article 9) as it has been already recognized for permit or registration (Article 4).

- BUSINESSEUROPE considers possible aggregation rules as less cost-effective and more burdensome for individual medium combustion plants, as these would imply huge administrative burden and costs especially to smaller plants

¹ The term 'gaseous' to be deleted



aggregated with bigger ones, where secondary abatement techniques would not be economically viable to apply. In concrete cases, due to technical or economic reasons, as well as for different industrial process, it may be difficult to implement the aggregation rules.

- To provide for clarity within proposed definition of Article 3.6, the ‘existing combustion plants’ must preserve installations that have been allowed and authorized within the current policies but are not still built, and therefore may not become operational before the transposition of the future directive. The suitable wording of the article should therefore explicitly cover ‘plants permitted or put into operation before 3 years after the transposition of the Directive’.
- It is necessary to set the ELVs in Annex II for emissions during normal operating hours and conditions, excluding start up and shut down periods (Article 5.1). The existing medium combustion plants, which do not operate more than 1.500 hours per year expressed as a rolling average over a period of 5 years, should be exempted without discretionary grants by Member States (Article 5.2, 5.3 and Annex I). This way the definition of operating hours would be coherent with the IED and the application of the exemptions harmonized at the EU level.
- The ELVs should be set taking into account the cost effectiveness and the technical feasibility of possible plant upgrade considering that the only use of primary techniques should be requested to comply with emission limit levels. In order to take into account certain specific circumstances where the application of emission levels set out in Annex II would lead to disproportionately high costs compared to the environmental benefits, competent authorities should be able to set ELVs deviating from those levels (as provided similarly in the Industrial Emissions Directive 2010/75/EU, Art 15 (4)).
- For existing plants located in Small Isolated Systems (SIS) and Micro Isolated Systems (MIS), as defined in Directive 2009/72/EC, as well for those being part of Canary Islands, of the French Overseas Departments, and of the archipelagoes of Madeira and Azores, it is necessary to guarantee enough flexibility to face the specific circumstances related to location, technical and economical feasibility, therefore these plants should comply with the ELVs set out in Annex II only as of 1 January 2040. This would guarantee the complete amortization of investments made in recent years.

ANNEX II

Emission limit values referred to in Article 5

All emission limit values set out in this Annex of the Middle Combustion Plants Directive are defined at a temperature of 273,15 K, a pressure of 101,3 kPa and after correction for the water vapour content of the waste gases and at a standardised O₂ content of 6 % for combustion plants using solid fuels, 3 % for combustion plants, other than engines and gas turbines, using liquid and gaseous fuels and 15 % for engines and gas turbines.

Part 1a

Emission limit values (mg/Nm³) for existing combustion plants with a **total** rated thermal input between 1 and 5 MW.

Plants other than engines and gas turbines

Pollutant	Solid biomass and liquid biofuels	Other solid Fuels	<u>Gas Oil</u>	Liquid fuels other than <u>Gas Oil</u>	Natural Gas	Gaseous fuels other than natural gas
SO ₂	[...] ⁽⁴⁾	<u>1100</u> ⁽⁷⁾	-	350 [...] ⁽⁸⁾⁽⁹⁾	-	200 ⁽⁵⁾ [...]
NO _x	650	650	300	650 [...]	350	250 [...] ⁽¹⁰⁾ <u>(11)</u>
Dust	<u>200</u>	<u>200</u> ⁽⁶⁾	-	50	-	-

[...]

⁽⁴⁾ 200 mg/Nm³ in case of non-woody solid biomass.

⁽⁵⁾ 400 mg/Nm³ in case of low calorific gases from coke oven (iron and steel industry).

~~⁽⁶⁾ 75 mg/Nm³ in case of medium combustion plants with total rated thermal input below 2 MW.~~

⁽⁷⁾ 1500 mg/Nm³ in case of medium combustion plants firing indigenous solid fuels.

⁽⁸⁾ 1100 mg/Nm³ when using non-commercial fuels from chemical processes including mixtures with other fuels

⁽⁹⁾ 1700 mg/Nm³ in case of combustion plants complying with art.3 of the Directive
1999/32/EC

⁽¹⁰⁾ 300 mg/Nm³ for combustion plants firing blast furnace gas or coke oven gas

⁽¹¹⁾ 300 mg/Nm³ for combustion plants which were granted a permit before 27 November
2002 or the operators of which had submitted a complete application for a permit before
that date, provided that the plant was put into operation no later than 27 November
2003 when permitted before 11/2002

Part 1b *

Emission limit values (mg/Nm³) for existing [...] combustion plants with a **total** rated thermal input above 5 MW.

Plants other than engines and gas turbines

Pollutant	Solid biomass and liquid biofuels	Other solid fuels	Gas Oil	Liquid fuels other than Gas Oil	Natural gas	Gaseous fuels other than natural gas
SO ₂	[...] ⁽¹⁰⁾	400 ⁽¹¹⁾ <u>(11b) (11c)</u>	[...]	350 [...] ⁽¹⁴⁾ <u>(15)</u>	-	35 [...] ⁽⁷⁾ <u>(12)</u>
NO _x	650	650	300 [...]	650 [...]	200	250 [...] ⁽¹⁶⁾ <u>(17)</u>
Dust	50 [...] ⁽¹³⁾	50 ⁽¹³⁾	[...]	30 [...] ⁽¹⁸⁾	-	-

[...]

⁽⁷⁾ 400 mg/Nm³ in case of low calorific gases from coke oven and 200 mg/Nm³ in case of low calorific gases from blast furnace (iron and steel industry).

[...]

⁽¹⁰⁾ 200 mg/Nm³ in case of non-woody solid biomass.

⁽¹¹⁾ 1100 mg/Nm³ in case of medium combustion plants with total rated thermal input between 5 and 20 MW.

^(11b) **1500 mg/Nm³ in case of medium combustion plants with total rated thermal input between 5 and 20 MW firing indigenous solid fuels.**

^(11c) **500 mg/Nm³ in case of peat in case of medium combustion plants with total rated thermal input between 20 and 50 MW.**

⁽¹²⁾ 170 mg/Nm³ in case of biogas.

⁽¹³⁾ **200 mg/Nm³ in case of medium combustion plants with a total rated thermal input between 5 and 20 MW.**

⁽¹⁴⁾ **1100 mg/Nm³ when using non-commercial fuels from chemical processes including mixtures with other fuels**

* [...]

⁽¹⁵⁾ 1700 mg/Nm³ in case of combustion plants complying with art.3 of the Directive
1999/32/EC

⁽¹⁶⁾ 300 mg/Nm³ for combustion plants firing blast furnace gas or coke oven gas

⁽¹⁷⁾ 300 mg/Nm³ for combustion plants which were granted a permit before 27 November
2002 or the operators of which had submitted a complete application for a permit before
that date, provided that the plant was put into operation no later than 27 November
2003 when permitted before 11/2002

⁽¹⁸⁾ 50 mg/Nm³ in case of non-commercial fuels from chemical processes including mixtures
with other fuels

Part 1c*

Emission limit values (mg/Nm³) for existing engines and gas turbines

Pollutant	Type of <u>combustion</u> <u>plant [...]</u>	<u>Gas Oil</u>	<u>Liquid</u> <u>fuels other</u> <u>than Gas</u> <u>Oil</u>	Natural gas	Gaseous fuels other than natural gas
SO ₂	Engines	-	120 ⁽⁴⁾	-	15 ⁽⁵⁾
NO _x	Engines	250 ⁽⁶⁾	250 ^{(1) (6)}	190 ⁽²⁾	190 ⁽²⁾
	Gas turbines ⁽³⁾	200 ⁽⁷⁾	200 ⁽⁷⁾	150 ⁽⁹⁾	200
<u>Dust</u>	Engines	-	10 ⁽⁸⁾	-	-

⁽¹⁾ 1850 mg/Nm³ in the following cases:

- (i) for diesel engines the construction of which commenced before 18 May 2006;
- (ii) for dual fuel engines in liquid mode.

⁽²⁾ 380 mg/Nm³ for dual fuel engines in gas mode **and in case of biogas.**

⁽³⁾ Emission limit values are only applicable above 70 % load.

⁽⁴⁾ **590 mg/Nm³ for diesel engines in SIS and MIS as defined in Directive 2009/72/EC**

[...]

⁽⁵⁾ 60 mg/Nm³ in case of biogas.

⁽⁶⁾ **1850 mg/Nm³ for dual fuel engine, 1300mg/Nm³ for diesel engines equal to or below 20 MW with ≤1200 rpm, 1850 mg/Nm³ for diesel engines equal to or above 20 MW with ≤1200 rpm and 750 mg/Nm³ for diesel engines with >1200 rpm in SIS and MIS as defined in Directive 2009/72/EC**

⁽⁷⁾ **550 mg/Nm³ in SIS and MIS as defined in Directive 2009/72/EC**

⁽⁸⁾ **75 mg/Nm³ for diesel engines in SIS and MIS as defined in Directive 2009/72/EC**

⁽⁹⁾ **400 mg/Nm³ in case of gas turbines with a total rated thermal input lower than 5 MW**

* [...]

Part 2a

Emission limit values (mg/Nm³) for new combustion plants with a ~~total~~ rated thermal input between 1 and 5 MW.

Plants other than engines and gas turbines

<u>Pollutant</u>	<u>Solid Biomass and liquid biofuels</u>	<u>Other solid Fuels</u>	<u>Gas Oil</u>	<u>Liquid fuels other than Gas Oil</u>	<u>Natural Gas</u>	<u>Gaseous fuels other than natural gas</u>
<u>SO₂</u>	[...] ⁽¹⁾	<u>1100</u>	=	<u>350</u> ⁽²⁾ ⁽⁵⁾	=	<u>110</u> ⁽³⁾
<u>NO_x</u>	<u>500</u>	<u>500</u>	<u>200</u>	<u>300</u> ⁽⁴⁾	<u>200</u>	<u>200</u>
<u>Dust</u>	<u>50</u>	<u>50</u>	=	<u>50</u>	=	=

[...]

⁽¹⁾ 200 mg/Nm³ in case of non-woody solid biomass.

⁽²⁾ Until 01/01/2025, 1700 mg/Nm³ in case of boilers in Small Isolated Systems (SIS) and Micro Isolated Systems (MIS) as defined in Directive 2009/72/EC.

⁽³⁾ 400 mg/Nm³ in case of low calorific gases from coke oven and 200 mg/Nm³ in case of low calorific gases from blast furnace (iron and steel industry)

⁽⁴⁾ Until 01/01/2025, 450 mg/Nm³ when firing heavy fuel oil containing between 0.2% and 0.3 % N and 360 mg/Nm³ when firing heavy fuel oil containing less than 0.2 % N in case of boilers in SIS and MIS as defined in Directive 2009/72/EC.

⁽⁵⁾ **1700 mg/Nm³ in case of combustion plants complying with art.3 of the Directive 1999/32/EC**

Part 2b

Emission limit values (mg/Nm³) for new [...] combustion plants with a ~~total~~ rated thermal input above 5 MW.

Plants other than engines and gas turbines

Pollutant	Solid biomass and liquid biofuels	Other solid fuels	<u>Gas Oil</u>	<u>Liquid fuels other than Gas Oil</u>	Natural gas	Gaseous fuels other than natural gas
SO ₂	[...] ⁽⁸⁾	400 ⁽⁹⁾ ^(9b)	[...]	350 ⁽⁵⁾ ⁽¹²⁾	-	35 [...] ⁽⁴⁾ ⁽¹⁰⁾
NO _x	300	300	200	300 ⁽⁶⁾	100	200
<u>Dust</u>	50 [...]	20 ⁽¹¹⁾	[...]	20 [...] ⁽⁷⁾ [...]	-	- ⁽⁸⁾

[...]

- ⁽⁴⁾ 400 mg/Nm³ in case of low calorific gases from coke oven and 200 mg/Nm³ in case of low calorific gases from blast furnace (iron and steel industry)
- ⁽⁵⁾ Until 01/01/2025, 1700 mg/Nm³ in case of boilers in Small Isolated Systems (SIS) and Micro Isolated Systems (MIS) as defined in Directive 2009/72/EC.
- ⁽⁶⁾ Until 01/01/2025, 450 mg/Nm³ when firing heavy fuel oil containing between 0.2% and 0.3 % N and 360 mg/Nm³ when firing heavy fuel oil containing less than 0.2 % N in case of boilers in SIS and MIS as defined in Directive 2009/72/EC.

[...]

[...]

- ⁽⁸⁾ 200 mg/Nm³ in case of non-woody solid biomass.
- ⁽⁹⁾ 1100 mg/Nm³ in case of medium combustion plants with a total rated thermal input between 5 and 20 MW.
- ^(9b) **500 mg/Nm³ in case of peat in case of medium combustion plants with total rated thermal input between 20 and 50 MW.**
- ⁽¹⁰⁾ 100 mg/Nm³ in case of biogas.

⁽¹¹⁾ 30 mg/Nm³ in case of medium combustion plants with total rated thermal input between 5 and 20 MW.

⁽¹²⁾ 1700 mg/Nm³ in case of combustion plants complying with art.3 of the Directive 1999/32/EC

Part 2 c

Emission limit values (mg/Nm³) for new engines and gas turbines

Pollutant	Type of <u>combustion</u> <u>plant</u> [...]	<u>Gas Oil</u> ⁽⁸⁾	<u>Liquid</u> <u>fuels other</u> <u>than Gas</u> <u>Oil</u>	Natural gas	Gaseous fuels other than natural gas
SO ₂	Engines	-	120 ⁽⁴⁾	-	15 ⁽⁹⁾
NO _x	Engines	190 ⁽⁵⁾	190 ^{(1) (5)}	95 ⁽²⁾	190
	Gas turbines ⁽³⁾	100 ⁽⁶⁾	100 ⁽⁶⁾	50 ⁽¹⁰⁾	75
<u>Dust</u>	Engines	-	10 ⁽⁷⁾	-	-

⁽¹⁾ 225 mg/Nm³ for dual fuel engines in liquid mode.

⁽²⁾ 190 mg/Nm³ for dual fuel engines in gas mode.

⁽³⁾ Emission limit values are only applicable above 70 % load.

⁽⁴⁾ 590 mg/Nm³ for diesel engines in SIS and MIS as defined in Directive 2009/72/EC.

⁽⁵⁾ 1850 mg/Nm³ for dual fuel engine, 1300 mg/Nm³ for diesel engines equal to or below 20 MW with ≤ 1200 rpm, 1850 mg/Nm³ for diesel engines equal to or above 20 MW with ≤ 1200 rpm and 750 mg/Nm³ for diesel engines with > 1200 rpm in SIS and MIS as defined in Directive 2009/72/EC.

⁽⁶⁾ 550 mg/Nm³ in SIS and MIS as defined in Directive 2009/72/EC.

⁽⁷⁾ 75 mg/Nm³ for diesel engines SIS and MIS as defined in Directive 2009/72/EC.

[...]

⁽⁸⁾ **See footnote (4) of table in Part 1a [this footnote (4) relates to solid biomass which is not relevant for this part 2c. Consequently this footnote (8) should be deleted].**

⁽⁹⁾ 40 mg/Nm³ in case of biogas.

⁽¹⁰⁾ **70 mg/Nm³ in case of gas turbines with a total rated thermal input lower than 5 MW**

Justification:

The emission limit values set out in annex II of this directive should be set so that:

1°) they are not more severe than required according to the Gothenburg Protocol (including cases where it specifies the need for a form of flexibility under specific circumstances)

2°) they are less severe than the IED annex V emission limit values that are applicable to combustion plant with a rated thermal input equal to or above 50 MW

3°) specific provisions from IED annex V that are applicable to large combustion plant are similarly applicable to medium combustion plants (e.g. the last time when the plant has been permitted)

4°) they are cost-effectively achievable and do not require the application of secondary measures (SO₂).

5°) they do not systematically require the application of the most expensive secondary measures and take the size of the existing combustion plant at stake into account (dust)

6°) they do not require the installation of secondary abatement systems that would imply disproportionate costs for relatively new plants (NO_x)

7°) they are compatible with requirements set out in existing regulations (e.g. Directive 1999/32/EC)

8°) they guarantee to plants located in SIS and MIS enough flexibility needed to face the specific circumstances related to location and technical and economic feasibility of installing abatement systems

9°) they do not discriminate between models available on the market (competition neutrality)