



Industrial Emissions Directive (Revision of the IPPC Directive)

- The IED entered into force in January 2011 and must be transposed into national legislation by Member States by January 2013.
- A key issue for UKPIA and its member companies is the need for clarity on the application dates for BAT ('best available techniques') conclusions. Compliance within four years for all refineries is unrealistic and instead should be tied in to the cycle of major shutdown maintenance undertaken by refineries.
- Cost impacts of revised permit requirements are likely to vary significantly between refineries depending upon their configuration, though for all sites significant investment is likely to be required from around 2015 onwards, with corresponding increases in operating costs. UKPIA estimates investment costing around £100M/year.

Background

In order to take further steps to reduce emissions from industry, the EU has recently recast seven existing pieces of legislation to develop the Industrial Emissions (IPPC) Directive (or IED, Directive 2010/75/EC).

The IED entered into force in January 2011 and must be transposed into national legislation by Member States by January 2013.

The Industrial Emissions Directive regulates emissions by requiring industrial installations to have a permit covering emissions to air, water and soil, along with waste management and energy efficiency. It limits atmospheric pollutants such as nitrogen oxides (NO_x), sulphur dioxide (SO₂) and dust.

Emission limit values (ELVs) included under permit conditions are set on the basis of the application of 'best available techniques' (BAT), as defined in BAT Reference Notes (BREFs).

European Member States are responsible for implementing the Directive at national level and

for issuing operating permits to the installations concerned.

The Directive also sets out requirements for the monitoring and inspection of permitted activities and for the periodic reconsideration of permits. It contains reporting obligations upon Member States which will contribute to the European Commission's own obligatory triennial reports to the European Parliament and Council on the implementation of the Directive.

Impact

The Commission has sought to clarify whether the permit conditions must be updated by the regulator within 4 years of publication of revised BAT conclusions or whether both update of the permit conditions and compliance with the conditions must be achieved by the installation operator within this period.

The Commission's interpretation of the Directive is that both permit update and compliance must be achieved within the 4 year period; this

interpretation has also been followed by Defra and UK regulators.

This timescale is unmanageable where investment in new abatement technology is required to meet the revised emissions limits.

The cost impact of revised permit requirements is likely to vary significantly and be specific to each refinery, depending on their configuration, layout etc. However, given UK Environment Agency priorities to reduce NO_x and SO_x emissions from refineries, significant investment is likely to be required from around 2015 onwards, with corresponding increases in operating costs.

In addition, there is also a clear need for a robust methodology for the assessment of abatement costs against environmental benefits. Given the importance of consistent assessment of cost-effectiveness across all EU Member States to maintain a level playing field, UKPIA believe the Commission should act to develop “mandatory” guidance on this topic.

Conclusion

Cost impacts of revised permit requirements are likely to vary significantly between refineries depending upon their configuration. Though, significant investment is likely to be required from around 2015 onwards, with corresponding increases in operating costs.

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