

## Summary of the EEB's position on the LCP BREF following the adoption of the BAT Conclusions by the European Commission

Operators of European largest power plants are now faced with important decisions about the continued operation of their plants beyond 2020, thanks to revised EU standards adopted today.<sup>1</sup>

The long-awaited revised standards are set in the Best Available Technique (BAT) Conclusions of the revised LCP BREF (Large Combustion Plant Best Available Techniques Reference Document). They tighten the binding emission levels for toxic emissions from Europe's most polluting power sources and update other environmental performance expectations such as on water and energy efficiency. The practical impact of the standards will depend on the stance taken by national permit writers and governments, which have a maximum of 4 years – until July 2021 – to implement the standards by deciding where to set the limit within the BAT emission range.

Requirements in the revised standards will apply to all of the EU's almost 3,000 Large Combustion Plants (LCPs), irrespective of what type of fuels they burn. The revised standards are designed to tackle air pollution from harmful pollutants such as nitrous oxides (NO<sub>x</sub>), sulphur dioxide (SO<sub>2</sub>) and particulate matter (PM).

Compared to its precedent – the 2006 LCP BREF – the revised 2017 LCP BREF may impact certain **lignite power plants** with stricter air pollution levels for nitrous oxides (NO<sub>x</sub>). Dedicated requirements on mercury and its monitoring are included in the LCP BREF for the first time.

However, many concessions have been made which are likely to undermine the practical impact of the BAT standards compared to what could have been achieved: certain particularly bad lignite fuels may apply for a special exception known as the **'desulphurisation rate' derogation**, which allows for a tripling of sulphur dioxide (SO<sub>2</sub>) emissions. Plants operating less than 1,500 hours per year are exempted from stricter requirements but there is no deadline connected to this.

Even worse, the European Commission weakened the document at the last minute to exempt all district heating (CHP) plants up to 200MW thermal capacity. Similarly, plant operators that made use of the optional Limited Lifetime Derogation the so called 'Article 33 LLD' will be automatically exempted from the tighter BREF requirements for as long as that derogation applies. These plants can run up to 17,500 hours or until 2024 before closing.<sup>2</sup>

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<sup>1</sup> LCP BREF BAT Conclusions were published in the Official Journal of the EU on Monday 31 July 2016. See our press release on this issue here: <http://eeb.org/new-eu-rules-mean-its-time-to-pull-the-plug-on-europes-dirtiest-power-plants>

<sup>2</sup> Whilst district heating is to be promoted, many countries exempt large scale CHPs from stricter air pollution requirements which the IED allowed up to 2023 –so called 'Art 35 CHP derogation'. These plants are located in urban areas where air quality is even more important. There are about **33.6 GWth of CHP plants that submitted this derogation**, of which 11GWth are in Poland, 8.6GWth in Germany and 3.3GWth in Czech Republic, 2.3GWth in Finland, 2.2GWth in Sweden and 2GWth in Denmark. 19 coal/lignite-fired power plants would be covered under the CHP exemption. Just 17 coal fired CHPs in Poland (6) and Czech Republic (11) are responsible for 1,043 Billion € of operation due to air pollution. This arbitrary relaxation translates to 728 premature deaths with an external health cost to the Polish and Czech tax payers worth €2 billion. 30 coal-fired plants made use of the limited lifetime derogation and were responsible for 3,380 premature deaths in 2013, or about €7.4 bn in associated health costs. The list of plants, taken from the 'Lifting Europe's Dark Cloud' is available here: <http://eeb.org/publications/61/industrial-production/36847/full-plant-results-lifting-europes-dark-cloud-report.xlsx>

Stricter requirements on **biomass**, in particular on NO<sub>x</sub> and SO<sub>x</sub>, will prevent a simple fuel switching of inefficient coal boilers, trigger additional efforts in the pulp and paper industry to prevent air pollution and will provide opportunities to challenge peat combustion which is still practiced in Finland and Ireland.

The revised standards have suffered from significant weakening in relation to combustion of **liquid fuels**, in particular in relation to large diesel engines on islands (due to pressure from Greece, Spain, the United Kingdom and to a lesser extent France). Requirements on **gaseous fuels** combustion have largely confirmed the status quo of the 2006 BREF standards.

**The new standards were adopted despite the opposition of major lignite-addicted economies.** At the time of the vote in April, Germany was heavily criticised by health, environmental and climate groups for joining eastern European countries and Finland (attempting to defend the pollution of its peat and pulp and paper industries) in opposing the new limits.

Whilst the emission ranges set for existing plants are far above from what the EEB considers to represent true BAT levels,<sup>3</sup> they will still lead to progress in tackling air pollution at source and offer new opportunities for speeding up the energy transition through the required permit reviews.

**EEB Policy Manager Christian Schaible** explains:

*"The new plant standards reflect what we expect all operators to implement under technically and economically viable conditions. It's just incredible that until 2020 some of Europe's worst offenders have permission to pollute as much as they want. These new requirements will help to speed up the energy transition and utilities will need to make wise investment decisions before 2020."*

*"NGOs will surely be ready to accept derogations for certain plants in exchange for reduced operation or promised closure. The EEB will work towards achieving its policy mandate for a full European coal phase out by 2030 at the latest. It is now high time for national government to show leadership and gain the combined benefits of tackling climate change and air pollution by implementing the LCP BREF standards ambitiously at the national level"*

Environmental organisations call for a rigorous implementation of the LCP BREF by national governments and are ready to fight any attempts to undermine the new rules by exploiting especially-designed loopholes called 'Art 15.4 derogations'. The EEB considers that the case-by case derogation from the stricter BAT emission ranges provided under the LCP BREF for plants operating below 1,500hrs/year, or a limited lifetime derogation (17,500 hours up to 2024), could be considered as from 2020 for certain lignite plants, provided that the plant shuts by 2024 or is subject to environmental and human health compensation safeguards until closure in 2030 at the latest.

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<sup>3</sup> See the EEB demands in relation to the BAT-levels for coal/lignite here: <http://eeb.org/publications/61/industrial-production/36821/technical-annex-proposals-for-coal-and-lignite-fired-lcps.pdf>. The BAT associated emission levels set for "new plants" can be considered to represent true BAT also for the "existing" plants. The stricter range of the "existing" plant BAT-AEL ranges represent compromise emission levels the EEB expects to be enforced in case of continued operation up to 2030.