

# Industrial Emissions Directive

Working for chemical and pharmaceutical businesses

## Background

Chemical manufacturing sites in the European Union (& EEA) need an environmental permit to operate. The Industrial Emissions Directive (IED) requires that environmental permits comply with legally binding Best Available Technique (BAT) conclusions, including Associated Emission Levels (AELs), which are set out in BAT REFERENCE (BREF) documents. The BREF documents are compiled by the European Commission and the European Integrated Pollution Prevention and Control Bureau (EIPPCB) with support from Technical Working Groups comprising Member States and their competent authorities, industry and NGOs. The BREF documents compare the performance of various techniques, such as abatement, to reduce pollution from industrial installations. This is a data-driven process based on an intensive collection exercise that forms part of the "Seville Process", coined according to the location of meetings. After agreement has been reached, BAT conclusions are adopted through Implementing Acts (comitology). Chemical manufacturers are impacted by more BREFs than any other sector: out of 32 BREFs for all activities under the IED, 19 BREFs cover aspects of the chemical industry. Unlike other industries that are in scope of the IED, there is no lower size threshold for chemical manufacturers, which can lead to many smaller companies being subject to often substantial requirements and costs.

## Current Status

Of the BREFs that apply specifically to the chemical industry: "Production of Chlor-Alkali" (CAK) was completed in 2013; "Common Waste Water & Waste Gas Treatment / Management Systems in the Chemical Sector" (CWW) was published in 2016; and "Production of

Large Volume Organic Chemicals" (LVOC) BAT conclusions were issued in December 2017. Publication of the first draft of a new BREF, titled "Common Waste Gas Treatment in the in the Chemicals Sector" (WGC), is now expected in quarter 1 of 2020. Once the WGC BREF is at a sufficiently advanced stage, a Technical Working Group will be convened to begin work on revising a "Production of Large Volume Inorganic Chemicals" (LVIC) BREF, that will combine both existing LVIC BREFs. Other recently finalised BREFs documents that are relevant to chemical manufacturing include: Large Combustion Plants (LCP), Waste Incineration (WI) and Waste Treatment (WT). During 2019, a notable development is the European Commission's Evaluation of the IED, a backward-looking exercise to which CIA will be providing input as a targeted stakeholder. The ongoing negotiations on the UK's future relationship with the EU has also created uncertainty with respect to environmental permitting.

## Our opinions and actions

The BREF process requires substantial resource from many stakeholders, in part because of the broad scope of the chemicals BREFs. CIA advocates for more focus when developing the BREF documents by limiting the number of Key Environmental Issues (KEIs) to those that are truly "key" by adhering to the four criteria were suggested by the Commission in 2015. Owing to the stage of IED implementation in the chemical sector, CIA believes the current evaluation is premature. Moreover, the work programme for revising the various chemical BREFs under the IED was changed part way through implementing the strategy. This has led to complex and overlapping scopes of the BREFs, which should be simplified

in the future. Additionally, the new BREF structures symbolise a move towards a more 'generic' approach where risks to environmental media (e.g. air or water) are assessed individually, contrasting with CIA's position that addressing the environment holistically based on process-specific assessments result in better overall outcomes.

Some decisions taken during the BREF process lack transparency. For example, there is no clear methodology used to derive legally binding emission limits (BAT-AELs) from the submitted data. Further, the option to produce a second draft of BREF documents is rarely selected but doing so would allow for better consideration and adoption of improvements. The costs of implementing BREF documents, which can require capital expenditure in excess of £tens of millions for a given site implementing a single BREF, is at present not adequately considered during the discussions on legal requirements. To remedy this, an analysis of the costs and benefits should be conducted through a systematic impact Assessment upon publication of the first draft (D1) of a BREF document. Together, these measures would work to 'competitiveness-proof' the BREF process by addressing legitimate environmental concerns whilst minimising the adverse impacts on the EU chemical industry. Adding to these considerations is the continuing uncertainty surrounding that is not helpful for business, particularly given the scale of investment required under IED. Regardless of the UK's future relationship with the EU, the process of environmental permitting should be optimised.



Contacts:

**Pete Walters**

Head of Environment & Sustainability

Chemical Industries Association UK

Tel. +44 (0) 20 7963 6743

Email: WaltersP@cia.org.uk

**Simon Marsh**

Communications Director

Chemical Industries Association UK

Mob: +44 (0) 7951 389 197

Email: MarshS@cia.org.uk