

EFIEES' views on the revision of the Industrial Emissions Directive (IED) – Amendments tabled at ITRE and ENVI Committees

EFIEES, the **European Federation of Intelligent Energy Efficiency Services**, is the voice of energy service companies (ESCOs) and their national associations across Europe. Our members represent over 100.000 professionals engaged in designing and implementing energy-efficient solutions in public and private buildings and industrial facilities. In some countries, they also ensure the efficient operation of district heating & cooling (DHC) networks.

EFIEES initially questioned the need to revise the directive, in the combustion sector, given the significant improvements in industrial emissions in this very sector, while improvements in technologies are not expected, and existing investments are far from being amortised. Avoiding complicated and lengthy **authorization processes, ensuring stability** for future investments and a smooth transition to net-zero industry is crucial. Therefore, we urge the amendments to aim for **an integrated approach** that allows the best overall environmental performance while **streamlining administrative procedures**.

Since the release of the Commission's proposal to revamp the Industrial Emissions Directive (IED), EFIEES has been closely monitoring this topic and paying close attention to the numerous amendments submitted at the ITRE and ENVI committees.

1. Maintaining an integrated approach for the best overall environmental approach

The IED is based on an **integrated approach** for installations within its scope, based on Best Available Techniques (BATs), to achieve the best possible environmental performance. Emission Limit Values (**ELVs - Article 15§3**) should continue being selected within the **range defined by BAT conclusions**. Establishing the strictest ELVs would harm this performance, as it is in most cases **technically impossible** to meet all the strictest values at once. For instance, fumes treatments mean additional energy consumption or more filtering means more chemical catalysers. In some cases, reaching the lowest ELV is economically not justified by environmental reasons.

The integrated approach remains fully justified, as it balances environmental protection and economic feasibility by setting ELVs at a level that aligns with the BAT range and is achievable for the industry (for each ELV).

Environmental performance limit values (**EPLVs – Article 15§3a**) should be **indicative**, due to the uncertainty surrounding their content and levels. The **complexity and diversity of industrial installations** subject to the IED make it challenging to establish manageable requirements for EPLVs, which would be combined with ELVs, potentially hindering the accomplishment of the directive's objectives. To clarify the use of EPLVs, it would be wise to offer guidance on their future establishment. The **Sevilla process** should take the lead in creating BREFs on the environmental performance of installations, rather than relying on delegated or implementation acts.

2. Streamline administrative procedures by selecting the most fitting tools and ensuring hassle-free operation of installations

Industrial installations' permits should be aligned with BAT conclusions, deriving from the BREFs. By making **EMS** (environmental management systems) mandatory (**Article 14a**) when required by BREFs, effective environmental management practices can be implemented and installations can operate efficiently. We suggest the IED to allow operators flexibility to design EMS either at **the installation or at the company level**, for installations subject to IED, and to foresee that EMS set up **indicative** goals. Also, operators should have the option to include other company documents, such as a sustainability report, in their EMS.

The implementation of EMS should prioritise **streamlining and simplifying procedures** to minimise administrative burden. This will ensure consistency with other EU environmental policies and **avoid duplication of requirements**, resulting in effective and efficient implementation of the IED's main objective of integrating the permitting process for installations subject to EU environmental legislation.

The industry and EU legislation should embrace change when necessary, however, some aspects of the **transformation plans (Article 27d)** require **further clarification** due to challenges in implementation and potential overlap with other legislation. Considering the permit duration and BAT conclusions, it remains unclear how the 2050 horizon transformation plan will be executed. The **split responsibility** between the owner and operator of an installation also raises concerns about the coherence of the plan. The requirement to report on transformation during the 2030-2050 period **disregards advancements and the BAT review process**. Overlap with other legislative files such as the EU ETS should be avoided to ensure the effectiveness of the IED. The content of the transformation plans should be proposed through the **Sevilla process** for informed decision-making.

We advocate for a flexible and realistic approach to the **revision** of BATs (**Article 13§1a**), taking into account the administrative and industrial feasibility as well as technological advancements. Reviewing BATs should be done on a **conditional basis**, tailored to the specific conditions of the sector and site, and not in a systemic manner. **Permits** and their **updates or reconsiderations (Article 21§1)** should also be handled in a conditional manner and not systematically, taking into account investment cycles, administrative processing time, and technological progress. This approach will ensure that the latest technologies are adopted and optimal environmental performance is achieved.