

National Air Pollution Control Plan

FEDIL Position Paper

November 30th, 2020

General Comments

FEDIL welcomes that the emission reduction projections presented in the NAPCP for industry-relevant areas (i.e. SO_x, COV) are primarily based on voluntary measures defined in consensus with the concerned companies during the elaboration phase of the NAPCP. FEDIL believes, that emission reductions should be realised in the most cost-effective manner, which may be achieved by designing measures targeted towards the leading emitter for each of the different air pollutants. Further, the financial incentives should be tailored to support the challenges of reaching the NEC objectives.

However, it should be clear that the objectives of the NEC directive can have a significant impact on the development of Luxembourg's industry as the NAPCP projections for 4 of the 5 air pollutants leave little room to the 2030 NEC objectives (<5% margin). And the NAPCP projections are already based on the inclusion of the ambitious NECP (National Energy and Climate Plan) projections.

The NAPCP will frame the development of Luxembourg's industry as an industrial large-scale project or the arrival of a larger industrial company can have a significant impact on the achievement of the NEC objectives.

It is therefore important for FEDIL to leave a certain flexibility when assessing the "NAPCP conformity" of an industrial project and that the dynamics in industry is reflected in the application of the NAPCP on political level.

In case of extensions of existing industrial sites or implantations of new industries, policy makers should not only reason in absolute terms with regards to the objectives and the underlying trajectory but also take into account the "dynamic" factor by applying a flexibility mechanism allowing to leave a certain margin to the targets and the underlying trajectory.

Finally, FEDIL believes that the need for additional flexibility in industry-relevant areas should be reflected in coming legislative proposals related to air pollution.

Context

The National Emission Ceilings (NEC) directive sets the national 2020 and 2030 emission reduction targets for the main air pollutants: SO₂, COVNM, NH₃, NO_x, PM_{2.5}:

Table 1: National Emission Ceilings Directive – Targets 2020 & 2030 (compared to 2005)

Polluant	Emissions 2005 (en kT)	Objectif de réduction 2020 par rapport à 2005 (en %)	Emissions 2020 (en kT)	Objectif de réduction 2030 par rapport à 2005	Emissions 2030 (en kT)
SO ₂ (oxydes de soufre)	2,6	34%	1,7	50%	1,3
COVNM (composés organiques volatils non méthaniques)	12,0	29%	8,5	42%	7,0
NH ₃ (ammoniac)	6,3	1%	6,2	22%	4,9
NO _x (oxydes d'azote)	55,3	43%	31,5	83%	9,4
PM _{2.5} (particules fines)	2,5	15%	2,1	40%	1,5

Table 2 : Emissions per sector – 2017

	SO _x	NO _x	COVNM	NH ₃	PM _{2.5}
1. Combustion in energy and heat production, incl. Cogeneration	2%	4%	1%	1%	4%
2. Combustions in residential, commercial and institutional sectors	5%	8%	5%	1%	39%
3. Combustion in industry and industrial processes	86%	15%	2%	0%	10%
4. Extraction and distribution of fossil fuels	0%	0%	5%	0%	0%
5. Solvent and other products use	0%	0%	50%	0%	2%
6. Road transport	3%	58%	8%	4%	32%
7. Other mobile sources and off-road machinery (aviation, rail, navigation, agriculture and industry)	4%	9%	1%	0%	3%
8. Waste treatment	0%	0%	0%	1%	6%
9. Agriculture (manure management, agricultural, fertilisers, stationary combustion)	0%	6%	28%	94%	4%

- Combustion in industry and industrial processes is the main emitter for SO_x
- Use of solvent and other products in industry, but also in other sectors, represent 50% of the COVNM emissions

Table 3 : NAPCP projections

Polluant	Objectif de réduction 2030 par rapport à 2005	Marge de manœuvre par rapport à l'objectif 2030 (sur base des projections actuelles)
SO2 (oxydes de soufre)	50%	26%
COVNM (composés organiques volatils non méthaniques)	42%	4%
NH3 (ammoniac)	22%	1%
NOx (oxydes d'azote)	83%	3%
PM2.5 (particules fines)	40%	5%

- NAPCP projections are based on:
 - Projected greenhouse gas emissions resulting from the projections and measures of the national energy and climate plan (NECP)
 - Additional measures elaborated by the ministry of the environment to achieve the 2030 objectives

Measures and projections for achieving the objectives set by the NEC directive

- Prioritize cost-effective emission reduction measures

Emission reductions should be realised through the most cost-effective measures. This may be achieved by targeting the leading emitter, as we can assume that the leading emitter's proportional emission reduction effort can be realised in a more cost-effective way compared to minor emitters.

- Include potential for emission reductions for new entrants on the market

In case a foreign investor shows interest to invest in a major industrial project which will have a significant impact on the achievement of the NEC directives, the potential for emission reductions of the project should be assessed and taken into account when evaluating the "NAPCP conformity" of the project.

- Consider only the national emission ceiling for the air pollutants where industry is one of the main emitters for a potential industrial prospect

National emission ceilings should only play a role in policy decisions regarding an industrial prospect for the air pollutants where industry is one of the main emitters. For example, the national emission ceiling for PM2.5 should not be a "make or break" factor for potential industrial prospects, as combustion in industry and industrial processes only represents 10% of the PM2.5 emissions.

Industry dynamic to be reflected in the application of the NAPCP

The NEC directive fixes a linear trajectory towards the 2030 targets which Member States should not exceed. In case the trajectory would be exceeded, the ministry for the environment needs to file a report to the European Commission explaining the reasons for the excess and informing about measures that will help reach the trajectory again, and ultimately achieve the 2030 objectives.

However, in a small country like Luxembourg, an extension of an existing industrial site, the closure of a major emitter or the implantation of a new industry can have a significant impact on the achievement of the NEC objectives.

Table 4: Evolution of the main air pollutants in Luxembourg's industry (Source: Eurostat)

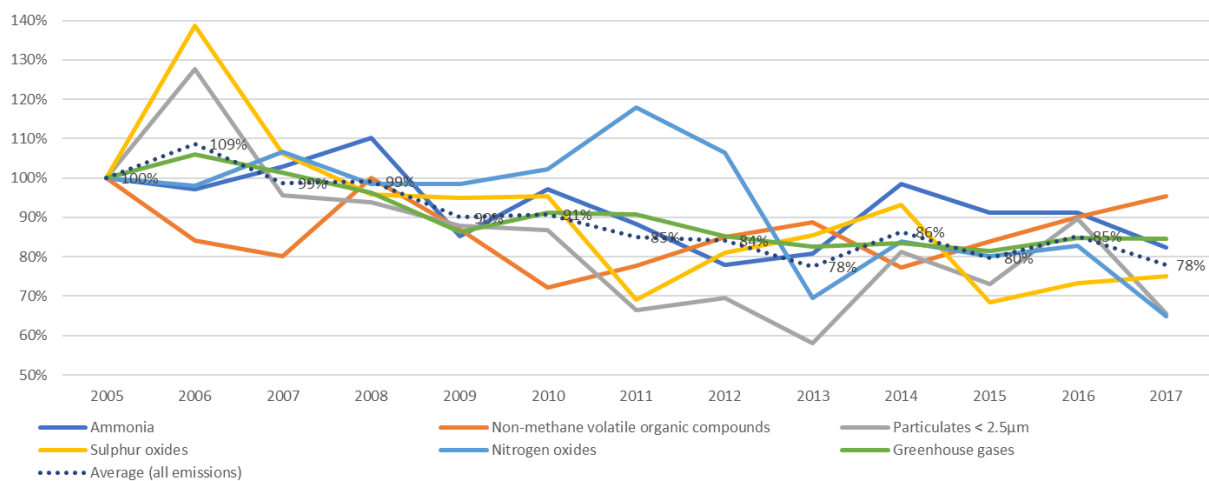


Table 4 shows the evolution of the emissions of the main air pollutants in Luxembourg's industry since 2005 which leads us to the following observations:

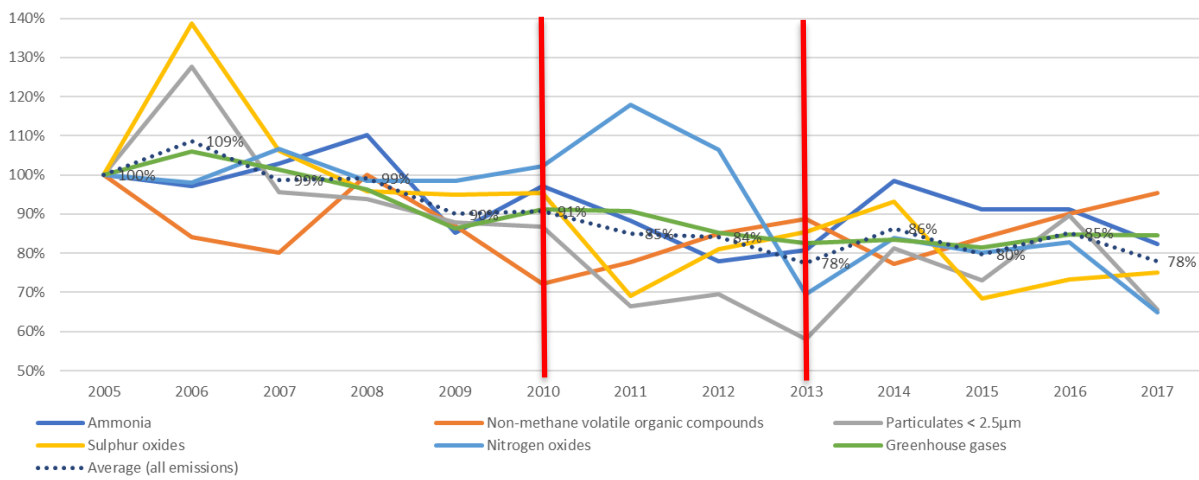
- Emissions of the main air pollutants in Luxembourg's industry have generally been decreased since 2005. However, when considering the evolution of added value created in Luxembourg's industry since 2005, it appears as there is a strong correlation with the evolution of the emissions of the main air pollutants in the industry sector. This means that, for a certain part, a reduction in emissions for a given air pollutant is the result of less industrial activity, and vice-versa.
- There is a high volatility in the evolution of the main air pollutants emitted by the industrial sector over time, which is mainly the result of increased industrial activity or less industrial activity. This is translated through the peaks and the lows over time shown in table 4.

Considering the above, a flexibility mechanism should be applied when assessing the "NAPCP conformity" of an industrial project and the dynamic in industry should be reflected in the application of the NAPCP as part of Luxembourg's industry policy.

Applying a flexibility mechanism to the implementation of the NAPCP

Taking into account the time parameter

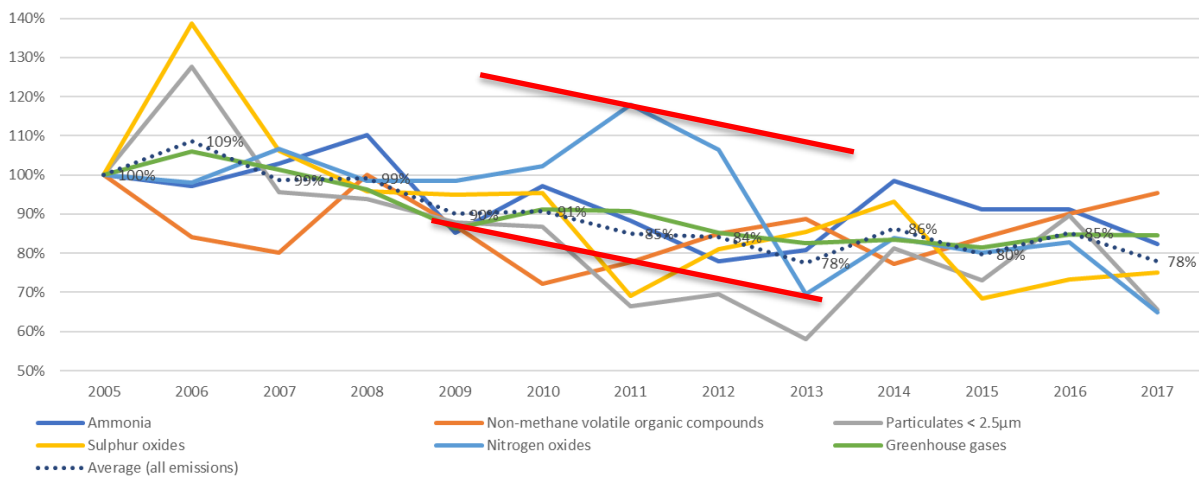
The flexibility mechanism should be applied in time in order to reflect industrial development in Luxembourg (i.e. extension of existing site, implantation of new industry etc.):



When applying the flexibility mechanism over time, the relevant emission reduction target set by the NAPCP trajectory should be defined on a period larger than one year, as an average of a larger period.

Taking into account a margin to the objective

The flexibility mechanism should be applied so that the objective is defined as a range, and not an absolute value. The range could be defined by the historic evolution since 2005.





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