



Decarbonisation & Best Available Techniques Reference documents (BREFs) for European Industries Joint Statement

We, the undersigned associations and members of the Informal Industrial Emissions Alliance (IE Alliance) represent major industries across Europe and support the ambition of achieving the European Union's climate-neutrality targets and overarching objective of the Industrial Emission Directive (IED) to minimise the impact of pollution on the environment and people's health.

Considering the informal shape Ceramic Manufacturing Industry Best Available Techniques Conclusions (CER BATC) published in July 2024 as part of the ongoing revision of the CER BREF (BAT Reference Document) - the first revision after the adoption of the IED 2.0 – we wish to formally express our concerns in relation to Chapter 5.4 on Decarbonisation:

1. Overlapping and/or inconsistent requirements between IED – ETS – EED - RED must be avoided.

In the field of decarbonisation, the key EU legislative acts, that amongst others, regulate and foster the decarbonisation of the EU industrial installations are: the EU Emission Trading Scheme (EU ETS), the Renewable Energy Directive (RED III), and the Energy Efficiency Directive (EED). It must be ensured that no "double regulation" is imposed on the European producers when implementing the IED 2.0. In that respect, the European Council Conclusions from April 2024 explicitly called for a significant reduction of administrative and compliance burden on companies and national authorities and the prevention of over-regulation. The European Commission also sets a target of reducing burdens associated with reporting requirements by 25%, without undermining the policy objectives of the initiatives concerned.

2. IED review and trilogues outcomes must be respected with regards to IED Art. on "Emission of greenhouse gases" (in particular Art. 9)

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According to Art. 9 of the IED 2.0., for the EU ETS installations the permits shall not include an emission limit value for GHG emissions covered under the ETS. The industrial decarbonisation efforts must be fully aligned with the existing EU framework: the Emission Trading Scheme (EU ETS), where the GHG emissions are regulated and which follows long- and well-established rules (including monitoring, reporting, benchmarking, etc). No additional obligations shall be stemming from the application of the IED. It must be respected throughout the BREF document – including with regard to the monitoring requirements (Chapter 5.3, BAT 5), the establishment of EMS (Chapter 5.1, and 5.2., BAT 1), etc.

3. Ceramics BREF should NOT create a precedent for other BREF and BAT conclusions to deviate from the new IED 2.0 legal requirements.

After the CER BREF, foreseeably other BREF revisions and/or new BREFs will be developed. The CER BREF creates a precedent for the implementation of the IED 2.0. The Directive's legal requirements must therefore be carefully preserved.

The BAT on decarbonisation should not be included in BREFs for the sectors emitting greenhouse gases covered under the EU ETS Directive. The definition of "*available techniques*" means "*techniques developed on a scale which allows implementation in the relevant industrial sector, under economically and technically viable conditions, taking into consideration the costs and advantages, regardless of whether such techniques are used or produced in the Union, as long as they are reasonably accessible to the operator*" (IED 2.0, Article 3(10)b). A careful assessment of each sector and a technology-neutral approach are vital in order to achieve climate targets in an efficient and economically viable way. This ensures open competition of innovation and adaptation to the specific configurations of installations. Therefore, any prioritisation of decarbonisation techniques should be avoided. The BAT conclusions shall be neither prescriptive nor exhaustive. The application of the decarbonisation techniques depends currently heavily on various technological, economic and regulatory barriers in the EU (i.e. lack of available alternative energy sources, lack of energy infrastructure, etc.), which are very often not in the control of the industrial operators.

We believe that the preservation of the above-mentioned topics is a pre-condition for proper and effective implementation of the revised IED Directive and is absolutely necessary to support the maintenance of the industrial competitiveness and progress decarbonisation pathways of the European manufacturing industry in the EU.

Annex

Brief information about key EU regulations regulating decarbonisation

EU Emission Trading Scheme (EU ETS I and II)

- › **EU ETS I:**
 - › The EU ETS is a market-based mechanism, and it is an ex-ante Cap and Trade system which guarantees that the CO2 reduction objective will be met.
 - › Benchmarks, based on the average of the 10% best-performing installations EU-wide per product, set the standard emission levels for different sectors, determining the amount of the free allocation of emission allowances to companies.
 - › For the 20% worst performing sub-installations under product benchmarks, the development and implementation of Climate-Neutrality Plans” are required to avoid losing 20% of the free allocation calculated for the installation.
- › **EU ETS II:**
 - › EU ETS II covers most of the industrial installations not covered by EU ETS I and sets linear reduction targets from 2024 onwards, which will impact European industries (smaller installations) directly from 2027.

Renewable Energy Directive III (RED III)

- › The Renewable Energy Directive is the legal framework for the development of clean energy across all sectors of the EU economy, supporting cooperation between EU countries towards this goal.
- › **The RED III defines when energy is “renewable” while setting targets for the share of energy from renewable sources by 2030. It precises what is considered as sustainable, renewable energy** (for electricity, hydrogen, biogas, biomass, biofuels) and sets targets for increased production and use of renewable energies.
- › For industry, there is an objective to increase the use of renewable energy by **1.6% every year by 2030**. In addition, **42%** of the industry’s use of hydrogen should come from renewable fuels of non-biological origin (RFNBOs) by 2030 and **60%** by 2035.

Energy Efficiency Directive (EED)

- › The **revised EED** requires the implementation of certified **energy management systems** for all installations above 85 TJ and mandatory **energy audits** for installations with a total energy consumption above 10 TJ as of 11 October 2026.
- › For each installation, companies need to define **feasible action plans based on recommendations from the energy audit/energy management system. In addition, EU ETS free allocation is conditional on the implementation of the energy efficiency audit or energy management system recommendations**, with the risk of losing 20% of the calculated free allocation for concerned plants.