

Proposal on Industrial Emissions Directive Revision

RECHARGE position paper

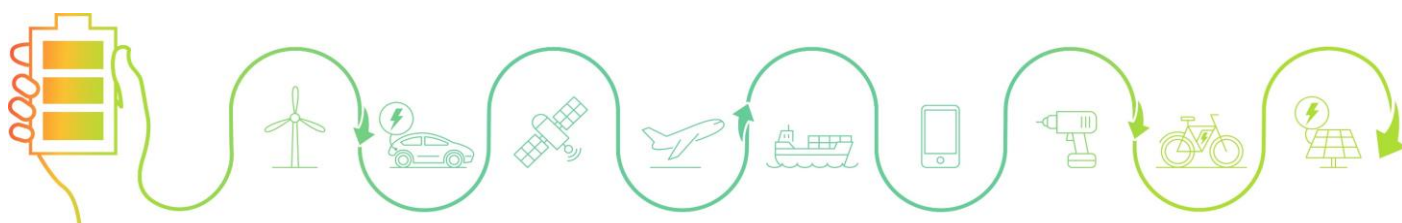
Public Consultation, June 2022

RECHARGE, the industry association for advanced rechargeable and lithium batteries in Europe, supports the EU Green Deal objectives and the revision of the Industrial Emissions Directive (IED) to truly guide large European industry to meeting the zero-pollution ambition by 2050. Advanced rechargeable batteries play an essential role in achieving the EU Green Deal and climate neutrality objectives. They are key in enabling the electrification and digitalisation of our economies.

While the Best Available Techniques (BAT) have already proven to prevent, minimise or reduce emissions and impacts on the environment, pollution from large industrial plants needs to be further reduced. RECHARGE welcomes the focus on innovation promotion, the effectiveness of permits for installations, fostering material efficiency, and decarbonisation.

The critical industrial processes commonly used in the production and recycling of batteries are already included in the scope of the current Industrial Emissions Directive. The proposal for the revision of the IED also includes manufacturing sites of lithium-ion batteries (including sites assembling battery cells and battery packs) with a production capacity of 3,5 GWh or more per year. This measure, aimed at the 'Giga-factories' that manufacture electro-mobility batteries, complements the Batteries Regulation for larger-scale plants.

To avoid unnecessary cost and over-burdening for the battery value chain, in the revised IED, overlaps or incoherence with other EU legislative files and over-regulation need to be avoided. This is especially the case with regard to hazardous substances which are already regulated under REACH and OSH as well as in the upcoming Batteries Regulation. Furthermore, the risk of creating an uneven level playing field with non-EU industrial sites needs to be taken into account and avoided. The IED requirements need to be part of a coherent list of "equivalent conditions" under the Batteries Regulation and/or the IED.



The advanced rechargeable batteries value chain stands for environmentally friendly manufacturing and end-of-life management:

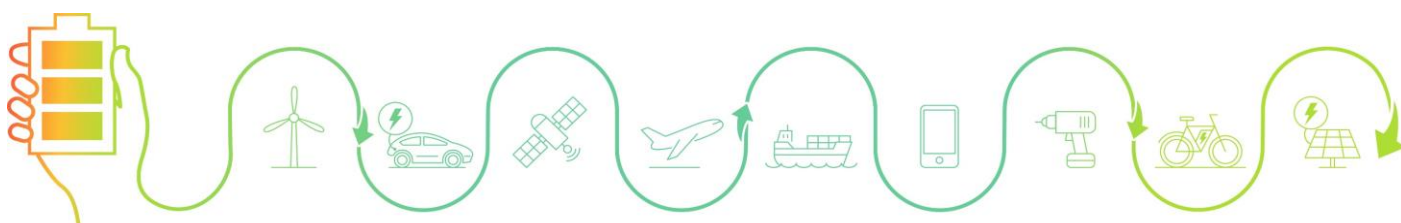
Through their strategic role in achieving the EU's 2050 climate-neutrality and industry sustainability leadership objectives, batteries are a key factor in achieving Europe's sustainability goals:

- Batteries are a main technology enabler for the transition towards low-GHG emission mobility and decarbonised electricity generation.
- The European battery value chain is expected to become the most responsible globally, aiming at setting sustainability standards for the rest of the world. This is being further strengthened through the new EU Batteries Regulation, covering the entire life cycle of batteries. The new Regulation is considered as a blueprint for sustainable products legislation.

Having sustainability in its DNA, the advanced rechargeable batteries industry welcomes the revision of the Industrial Emissions Directive. However, the following needs to be considered: to support the rapid roll-out of renewables and the electrification of road transport in the EU, the battery value chain needs to keep up with the pace. More burdensome and difficult permit-acquiring processes are in contradiction to the urgent need for accelerated permitting for battery manufacturing sites, battery recyclers and material suppliers. This becomes paramount in the context of the REPowerEU ambition and the expected growth of renewables and the EV market. The industry is ready to invest; however, there is a concrete concern regarding slow permitting for industrial sites. Fast-track permitting should not only apply to renewables plants, but to the entire supply chain of renewables installations.

Recommendations in relation to the proposed IED revision

The evaluation of the IED that was carried out found that it had been effective in reducing environmental impacts and competitive distortions in the EU. The collaborative process for producing the Best Available Techniques Reference Documents (BREFs) and identifying BAT, also known as the 'Sevilla Process', has worked well and is recognised as a model of collaborative governance. While the revised IED's intent is to give the public and NGOs increased access to information and decision-making, including greater opportunities for public participation in reviews of permits, the Sevilla process needs to remain driven by technical and economic factors and with the necessary protection of confidential business information to avoid operators being discouraged to innovate. The obligation to improve the applied BAT and the emissions limits need to be driven by science-based know-how.



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The review of Best Available Techniques (BAT) and revision of the BREF documents shall remain a not too frequent periodic process as site operators need legal certainty and time to implement new techniques.

With regard to the tightening of rules in case of breaking the permit limits (Article 8) and the introduction of more dissuasive penalties, as well as the right for compensation by civil society or representative NGOs, putting the burden of proof for the absence of damage on the industry in cases of infringement of permit limits may become a concern: it could prove difficult for industry sites to demonstrate the absence of contributing to damage with the reversed burden of proof.

The new EU Industrial Emissions Portal will make emissions data and resource use publicly available. Release and transfer data will include information on 1) use of water resources, energy and raw materials, and 2) information about production volume, number of employees, operation hours, and accidents causing release. In implementing acts containing reporting requirements, the Commission needs to ensure that no business sensitive data will be required to be published on the Industrial Emissions Portal.

Both the geopolitical context and the climate emergency accentuate the short timeframe for the development of EU's strategic batteries industry. The upcoming Batteries Regulation will ensure that only high performing and efficient, sustainable and circular batteries will be placed on the EU market and thus contribute to the EU Green Deal objectives. The revised IED should not slow down the development of a competitive EU battery industry.

ABOUT RECHARGE



RECHARGE is the European industry association for advanced rechargeable and lithium batteries. Founded in 1998, it is our mission to promote advanced rechargeable batteries as a key technology that will contribute to a more empowered, sustainable and circular economy. RECHARGE's unique membership covers all aspects of the advanced rechargeable battery value chain in Europe: from suppliers of primary and secondary raw materials, to battery, equipment and original equipment manufacturers (OEMs), to logistic partners and battery recyclers. www.rechargebatteries.org

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