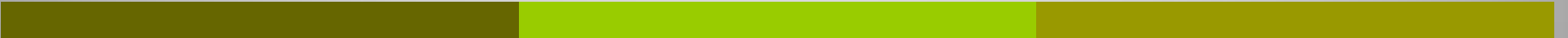


# PKEE

**Polski Komitet Energii Elektrycznej**  
Polish Electricity Association



## IED Directive Draft

EU Council Agreement of June, 2009  
and its significance for Poland

EP Committee on the Environment  
Brussels, December 02, 2009

[kszynol@pke.pl](mailto:kszynol@pke.pl),

[Krzysztof.Ebro-Prokasz@eckrakow.pl](mailto:Krzysztof.Ebro-Prokasz@eckrakow.pl)

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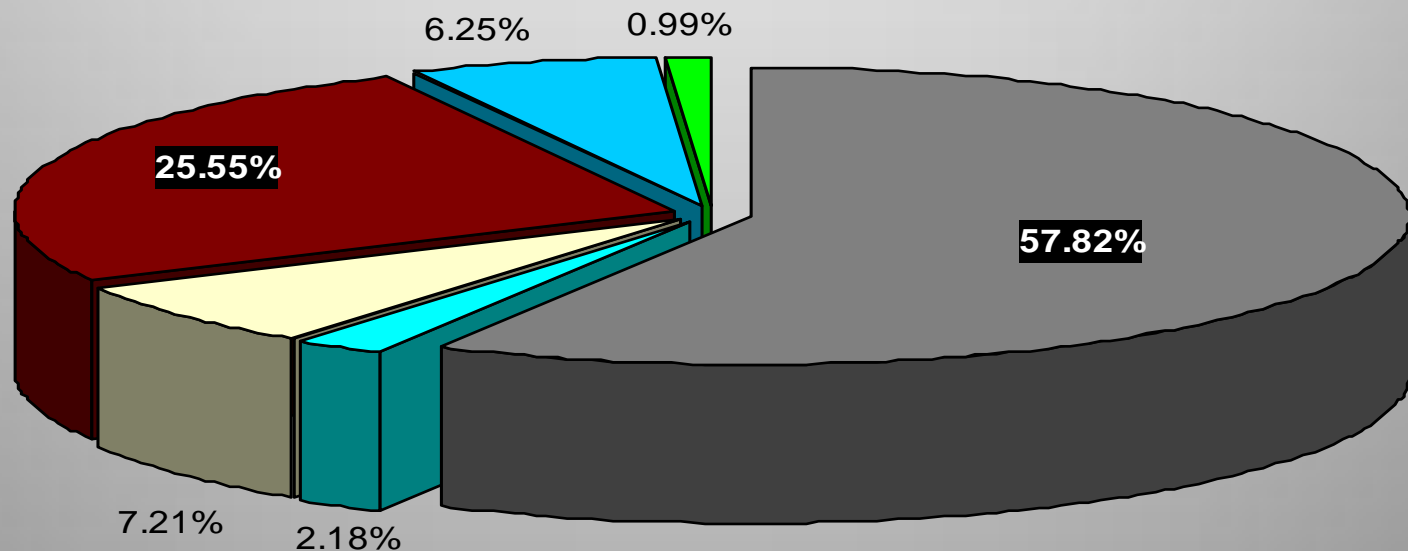
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1. **Polish power sector in the light of the IED Directive requirements - conditions**
2. Compromise reached in June, 2009
3. PKEE position

The data has been taken from „Standpoint of Poland’s position on the implementation of the directive on industrial emissions in respect of the need to satisfy Polish demand for heat and electricity”.

# Percentage structure of the installed capacity in Poland as at December 31, 2008

**Coal is the basic fuel for 91% of electric power**



□ Power plants fired with hard coal

□ Industrial power plants

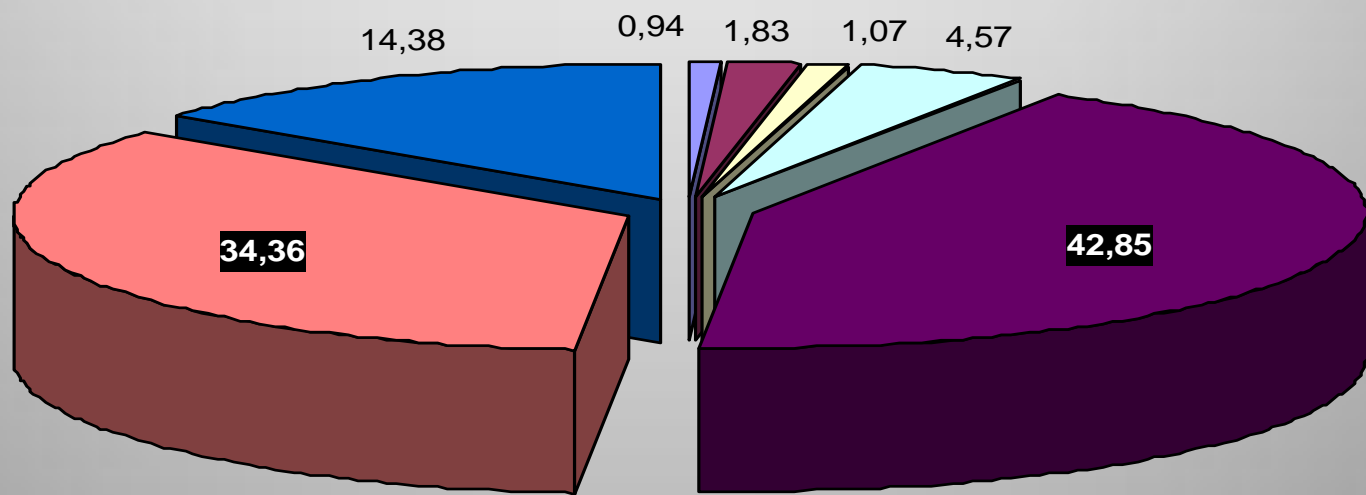
□ Hydropower plants

□ Gas-fired power plants

□ Power plants fired with lignite

□ Renewable energy sources

# Electric energy generation share (%) in Poland as at December 31, 2008



- Independent CHP
- RES
- Hard coal fired power plants
- Public power utility
- Hydropower plants
- Industrial heat power plants
- Lignite fired power plants

# IED Directive draft, Chapter III – LCP

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- ❑ Entry into force date: January 01, 2016.
- ❑ The Directive applies to installations, thermal input of which equals  $\geq 50 \text{ MW}_t$ .
- ❑ Definition of an installation: source = stack (boiler capacities with fuel capacities  $\geq 15 \text{ MW}_t$  connected to one common stack are totalized).
- ❑ More stringent emission standards for new and existing installations.
- ❑ There are derogations stipulated in case of installations firing domestic coal with high sulphur content – Member States can apply the minimum desulphurization level which amounts to 96% for installations the capacity of which exceeds  $300 \text{ MW}_t$ .

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# Compromise reached in June 2009

## FLEXIBLE MECHANISMS

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### Transitional National Plan (TNP art.32) for the period 2016 – 2020

- ❑ Applies to combustion installations, which were granted the first permit before November 27, 2002 or were put into operation not later than November 27, 2003.
- ❑ Sets the annual SO<sub>2</sub>, NO<sub>x</sub> and dust emission ceilings for all installations to which the plan applies
- ❑ Emission ceilings for year 2016 will be set based on LCP Directive and for year 2019 based on IED Directive. Ceilings for 2017 and 2018 will be set in a way ensuring linear decrease of the ceilings between 2016 and 2019.
- ❑ Decision on the accession to the above mechanism is taken by the Member State via submission of the Plan to the Council by January 1, 2013 at the latest.

# Compromise reached in June 2009

## FLEXIBLE MECHANISMS

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### Limited life time derogation art.33

- ❑ Exemption from the IED Directive standards for combustion plant of limited life time via submission of a declaration by January 1, 2014 at the latest. The derogation allows to operate not more than 20,000 hours in the period of 2016-2023. During this period the sources shall comply with the LCP emission standard in force as at December 31, 2015, *the operator will be required to submit each year to the competent authority a record of the number of operating hours*
- ❑ Sources which are currently benefiting from limited life time derogation pursuant to art. 4(4) of the LCP 2001/80 Directive must be put out of operation having operated for 20,000 hours as of December 31, 2015.

# IED Directive implementation outcomes for Poland

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- Adjustment of coal-fired installation to the new directive will be connected with enormous financial outlays incurred alongside the outlays for the repowering of the worn-out installations.
- Investment costs to be borne by 2016 are estimated at the level of:
  - - € 7 715 million euros                      excluding IED Directive implementation
  - - 20 198 million euros                      including IED Directive implementation

# IED Directive implementation outcomes for Poland

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- ❑ IED implementation starting from 2016 would call for the retrofit of **over 1,000** boilers with additional installations or the switch of fuel from coal to gas **within the period of 6 years**;
- ❑ Adjustment to the new requirements is uneconomic in case of power installations with the remaining life time less than 10 years (**no return on investment**);
- ❑ Directive implementation as early as in 2016 would cause an additional shutdown of installations of the total capacity amounting to **7,000 MW** (unplanned).
- ❑ Together with the planned shutdowns the total would equal **circa 15,000 MW**;
- ❑ Repowering of **15,000 MW** within **7 years** is virtually **impossible**.

# IED Directive implementation outcomes for heat engineering in Poland

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- Centralized Systems supply 52% of Poland's inhabitants with heat, and in given agglomerations up to 70%;
- Installed capacity of boilers 50 – 100 MW and 100 – 200 MW constitutes in total 11% of the installed capacity of all sources under the IED Directive. Their emission share amounts to circa 5% for SO<sub>2</sub> , 4% for NO<sub>x</sub> and 19 % for dust. Inclusion of these boilers into IED will generate costs inadequate to the expected ecological effects.

# IED Directive implementation outcomes for heat engineering in Poland

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Imposing costly emission requirements on electric energy generators in medium-sized sources (mainly local heat plants) will bring about costs impossible to be transposed into socially accepted prices and subsequently will cause the insolvency of the aforementioned installations.

The emerged power needs will be satisfied by smaller sources which will cause the increase of the so-called 'low emission' from the uncontrolled sources.

This will cause **the deterioration of the atmosphere quality** in the areas where the uncontrolled sources are located (inconformity with 2008/50/WE „CAFE” Directive).

# IED Directive implementation outcomes for heat engineering in Poland

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- ❑ The collapse of heat generation systems will restrict the high-efficiency cogeneration development opportunity  
(*high-efficiency cogeneration of electric energy and heat*)
- ❑ Such development should be promoted in accordance with 2004/8/EC Directive

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# PKEE position on the June 2009 compromise

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Adoption of the primary version of the IED Directive as proposed by the European Council will cause the economically ungrounded shutdown of more than 50% of the installed capacity in Poland which in turn will trigger the complete collapse of Poland's energy security.

## PKEE fully supports the Council Common Position on IED.

- ❑ **It is necessary to maintain flexible mechanisms for the existing installations as stipulated in the Council Compromise:**
  - **Transitional National Plans (art. 32),**
  - **Limited life time derogations (art. 33),**
  - **Heat systems (art. 35) District heating plants Article 35**
  
- ❑ **PKEE opts that the stipulations of art. 14/15 concerning BAT remain unchanged.**
  
- ❑ **PKEE is against the inclusion of the CO2 emission standard into the IED Directive.**

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**Thank you for your attention**

[kszynol@pke.pl](mailto:kszynol@pke.pl)

[Krzysztof.Ebro-Prokesz@eckrakow.pl](mailto:Krzysztof.Ebro-Prokesz@eckrakow.pl)