

Energy Community Task Force on Environment 16th Meeting

22 March 2018

Conclusions

1. The Chairman of the Task Force welcomed the participants and in his opening remarks, gave a short introduction as well as a presentation of the agenda for the 16th meeting.
2. The Task Force adopted the agenda.

The Air Quality and NEC Directives

3. The representative of the European Commission started by pointing to the fact that air quality is not only a great problem in the Energy Community but also in the EU – even though the situation is slowly and gradually improving. However, cities throughout the EU suffer from bad air quality and serious concerns remain in particular with regard to particulate matter and ground-level ozone. There are still approx. 400,000 premature deaths annually in the EU related to air pollution, as also confirmed by European Environment Agency's Air Quality in Europe Report.
4. An overview of the clean air policies in the EU, with a focus on the Air Quality Directive (AQD) and the National Emission Ceilings Directive (NECD) was also presented. The Member States adopted the latest revision of the NECD in 2016 and it addresses SO₂, NO_x, VOC, PM_{2.5} (fine particles), NH₃ emissions and related inventories, projections, measures to attain the agreed ceilings and reporting. The AQD sets different objectives such as air quality limit and target values for various pollutants and requests Member States to set up and maintain systems for air quality monitoring, assessment and management. The relevant EU funding possibilities, i.e. ENI (European Neighbourhood Instrument) and IPA (Instrument for Pre-accession) were also presented. Questions were raised on the possible barriers the Contracting Parties may be facing, on the role of available EU funding and potential further support, on transport, climate change and energy policies used as drivers for air quality and on the potential added value to include either the AQD or the NECD into the Energy Community Treaty.

Air Quality in the Western Balkans

5. The representative from CEE Bankwatch gave a presentation on air quality in the Western Balkans countries and the results from independent monitoring. It was stated that the data is insufficient (e.g. Serbia has 45 monitoring stations out of which only 6 can monitor PM₁₀ which are also not continuous). In addition, the PM_{2.5} situation is different in all Contracting Parties; measuring systems are not placed in the relevant hot spots and allegations were raised about the official monitoring systems not always working properly (e.g. no measuring at night).

Bankwatch installed their own measuring devices in different cities of the Western Balkans countries, (Gacko, Pljevlja, Bitola, Tuzla) and other places.

6. Discrepancies in the data were also brought up. In Tuzla, for instance, PM_{2.5} is monitored, however only PM₁₀ is regulated at entity level. In the concluding remarks, the speaker stated that the problem is not of the location since the particles travel, but in any case the sources can be easily determined (coal mines, TPP sites). Moreover, the necessity of a level-playing field in terms of legislation and unified approach for monitoring was stressed.
7. The representative of Montenegro raised a question regarding the high peaks presented in the Tuzla measurement charts and pointed out that such hourly peaks show that something is not working properly with the measuring system. Furthermore, it was stressed that a sophisticated quality assurance system has to be set up to ensure that only monitoring results of known quality are used (see also Annex I of Directive 2008/50/EC on ambient air quality and cleaner air for Europe). E.g., the results need to be traceable back to an accredited laboratory. In addition, Montenegro stressed the importance of the geographical and weather conditions and their influence on local air quality especially in the case of cities such as Pljevlja which are positioned in a valley.
8. The representative of the Energy Community Secretariat pointed out that point 2 of Annex of the Large Combustion Plants Directive (LCPD) sets an obligation for all plants above 100 MW to carry out continuous measurements of their emissions.
9. Another issue raised additionally by the representative of Montenegro (but not limited to that Contracting Party) is that measuring systems are made by a company that does not exist anymore and those systems cannot be fixed if needed due to the lack of spare parts. The complete replacement of the monitoring equipment is costly.
10. The representative of the European Commission pointed out that in extreme situations, drastic measures should be introduced but at the same time, authorities should count on the adaptive capabilities of citizens (the example of road transport in Northern Italy was raised, where most people have separate car plates so that they could still use the vehicles when transport is limited due to bad air quality). The Chairman concluded that based on the information heard, there is an obvious problem indeed and raised the question of what kind of support would the Contracting Parties expect.
11. The representative of Albania stated that the main problem is poor implementation as a result of a lack of financial resources and administrative capacities. The situation regarding air quality is more or less unchanged, despite a number of EU projects. There were (and still are) too many problems with emission inventories, as data was/is not reliable and that is the reason for which this Contracting Party could not proceed with the ratification of the amended Gothenburg Protocol (the equivalent of the NECD under the UNECE Convention on Long Range Transboundary Air Pollution framework). The transport sector is the biggest polluter in the country and the Ministry of Environment is working on a measure to ban the import of old vehicles, which is a significant part of the problem. It was mentioned that introducing the NECD into the Energy Community acquis could have added value for the Contracting Parties.
12. The representative of former Yugoslav Republic of Macedonia also underlined that weather conditions matter to a large extent when it comes to air quality and that is the reason for which in that Contracting Party, the situation was slightly better this winter in that Contracting Party. The City of Skopje tried to implement certain measures such as free public transport, but it was concluded that those did not have a major effect on the level of air pollution. These questions are a political priority when the pressure is high, but only during a limited time and they are

definitely no priority when it comes to finances. The country is Party to the Gothenburg Protocol and has also transposed the AQD and the NECD but – as in other cases – the problem with implementation remains present.

13. Kosovo* informed that the Law on Air Protection is subject to amendments and that the AQD is transposed, however without the limit values. A draft action plan was sent to the Government for adoption, which can only be in place for three years. No work has been done yet on the NECD. Prishtina and the surrounding region are mostly affected by air pollution, with large combustion plants and domestic heating being the main source. Air monitoring systems are being installed in Prishtina and existing stations are being repaired. Certain measures, such as a ban on importing old, sub-standard vehicles and new buses for public transportation are introduced, but low-level infrastructure remains to be a major obstacle.
14. The representative of the GIZ Open Regional Fund for Energy Efficiency presented the currently ongoing project on Sustainable Urban Mobility, running in all Western Balkan countries. The project supports the countries in promoting their plans or supporting the implementation thereof.
15. The representative of Georgia pointed that road transport is the biggest pollution source. In addition, outdated legislation is also problematic. The Ministry prepared a technical Regulation on Air Quality Standards and the LCP legislation is to be adopted by September 2018.
16. The representative of Montenegro reiterated that the Contracting Party is in line with the AQD and they have online reporting since 2014 and an AQ index since 2016. Monitoring, however, is rather modest: there are 7 stations, 2 of which are in Pljevlja. With the help of EU funds, 10 monitor stations are going to be installed, 1 of which will monitor transboundary pollution from TPP Pljevlja. It was underlined that the main air pollution source is domestic heating and that meteorological conditions are crucial for air quality. The domestic heating issue could be addressed by a 50% penetration of highly efficient stoves at the market, which is however very difficult and costly. Nevertheless, there are existing governmental programmes pointing in that direction, such as financial support for stove replacement.
17. The representative of Serbia noted the financial aspects have to be taken into account and that poverty is crucial when talking about the air quality in the Western Balkans countries. It was also mentioned that the 2016 Air Quality Report shows a difference between the largest emission sources and that the relative share of emissions are highly pollutant-specific (for SO₂, thermal power plants are almost the exclusive source, while NO_x is much more related to road transport and PM to domestic heating). Monitoring show that the situation is worse in the major cities (Belgrade, Nis) or in places with specific geographical conditions (Bor), so not necessarily in places that are close to the TPPs. A question was also raised about how the Energy Community would treat these directives if they were to be included in the *acquis* and what is their exact relevance for Network Energy.
18. The representative of the European Commission commented that with regard to PM, it has to be kept in mind they are not always directly emitted but there is a large part of this pollution coming from SO₂ and NO_x together with NH₃ (as precursors for secondary inorganic aerosols).
19. The representative from the Serbian Environmental Agency added that in the energy balances of the countries, one can see the different fuel use footprints immediately (when oil was cheaper, everyone was using it – since it is more expensive, nobody does so). Moreover, he stated that when firing biomass, it has to be kept in mind that the quality of the fuel (and the related emissions) varies with the moisture content depending on the season and that there is certainly a knowledge problem with that which, in the end, results in higher emissions and

lower efficiency. It was reported that by now, Serbia has a very good inventories for greenhouse gas emissions and CRLTAP inventory, which show that approx. 25% of PM comes from residential heating, 20% from traffic and the remaining 55% from industrial sources, including the energy sector.

20. The representative of Ukraine presented the current situation in that Contracting Party as well. The new law on strategic environmental assessment was adopted the day before the Task Force meeting. In addition, work is ongoing regarding the Resolution on monitoring and zoning but also the calibration of equipment is being discussed. There is no online register yet. By the end of April, finalisation of the draft legislation can be expected. Monitoring equipment in compliance with EU standards is not yet available and the observation points that are missing have to be defined. Two persons are working on this in the framework of an EU funded project.
21. The representative of Bosnia and Herzegovina also stated that air quality is a major problem in the country. Oil refineries and industrial installations are major pollution sources and given the constitutional setup of the country, the regulation of air pollution belongs to entity level. Another issue is the lack of resources for air quality assessment as well as the significant gaps and weaknesses in the legislation.
22. The Chairman concluded that the case of air quality is obvious in all Contracting Parties and that while work is ongoing in each Contracting Party, it also seems to be clear that more needs to be done. Domestic pollution sources, cost-sensitivity of fuels used and links to energy poverty were especially highlighted throughout the discussion. Road transport was also a major source of air pollution (in particular NO_x) in many Contracting Parties. The Chairman urged the members of the Environmental Task Force to further consider how this issue could be brought forward and addressed and to explore synergies of activities to implement the NEC Directive and activities done to combat climate change (e.g., preparation of integrated energy and climate plans), since similar sources are addressed and similar tools (inventories, projections,...) are applied.

Sulphur Content of Marine Fuels

23. The representative of the European Commission gave a presentation on the sulphur content in marine fuels. Higher number of inspections and their increased frequency were emphasized. A lot of work has been done in the past years and the maritime industry is happy that the rules will apply in the Energy Community also. The countries will be obliged to inspect the papers of the vessels (which is already being done by MARPOL countries) and to carry out fuel sampling for at least ten percent of all ships that come to the ports of the country. The THETIS-S system was also presented, which is an information platform which can also be used as an early warning system with the purpose of inspecting those ships that have a high risk of non-compliance (usually not only for fuel quality). A training possibility through the European Maritime Safety Agency (EMSA) was also offered. Even though THETIS is not a mandatory tool, its use is widespread.
24. There is a current discussion about the possibility to ban any fuel above 0.50 % sulphur content on board of ships, which should be adopted in September 2018 in the International Maritime Organisation (IMO). There is also another new initiative to designate Emission Control Areas (ECAs) in the Mediterranean, since there is a public pressure that the ECA should be able to work in the Southern part of Europe if they work in the North. The EU counts on the Contracting Parties to prepare for the 2020 implementation of the 0.50 % global sulphur cap.

Technical assistance from the Commission will be channelled to the Contracting Parties through EMSA.

25. The representative from Montenegro informed that they have already transposed the Directive in 2017 and are in the implementation phase. The frequency of ships is not very high in the country and therefore the inspection is not that problematic as in reality, it means a low amount of samples. Problems arise however when it comes to the practical details – there is logistical issue since the only accredited laboratory is in Podgorica which is two hours from the coast (while there is an obligation not to withhold the ships in ports, which in this case is very difficult due to time constraints). On the other side, on-board sampling had not yet been done – THETIS support is therefore much appreciated. Furthermore, it was mentioned that the cost of sampling are to be borne by the authorities if the results turn out to be in order, so inspectors do not feel confident enough to do it.
26. The representative of the European Commission replied that on-board sampling is something rather new in the EU as well. The implementing decision from 2015 is clear and sampling the statutory fuel is possible. Under THETIS-EU, one can also issue ex-post fines and the whole procedure will become clearer after the system is in place.
27. The representative of Albania added that in their National Plan for EU Integration, this Directive is marked as a priority. The question is what would be the exact exercise to achieve transposition of the current requirements? Lower percentage of sulphur content (0.10 %), inspection obligations (THETIS-EU) and the 1.50 % for passenger fuels from June 2018 until December 2019 and 0.50 % from January 2020.

Implementation of the Large Combustion Plants Directive – Reporting of emissions into the air

28. The representative from the European Environmental Agency (EEA) started the first part of the presentation with the reporting instruments under the EEA and the EU. An explanation was given on the information that needs to be gathered, including meta-information such as location, country, year, LCP or refinery and other details, but also check examples and emission verification processes were explained. The data can be re-submitted in the system if there are some comments and the final data is publicly available.
29. The representative of former Yugoslav Republic of Macedonia raised a question on the Energy Community's approach on reporting in this aspect.
30. The representative of Energy Community Secretariat explained the legal framework on reporting which is in place under Annex VIII. A and B from the LCPD regarding the measurements and the inventories.
31. The representative of Serbia had a question whether the PRTR that also requires reporting is removed, on which the EEA representative stated that the PRTR is a separate instrument which is not concerned by the current discussion.
32. Another question was raised by the Serbian representative about the situation of those plants that are not obliged to measure and the situation about all parallel reporting schemes and their usage in the EU. The EEA answered that under the new reporting scheme, these synergies are brought in line.

33. The EEA representative explained that the EU registry on industrial emissions is needed because there are too many data sets and the goal is to reduce the reporting burden from the Member States.
34. The representative of Montenegro raised the issue about the role of the authorities in the process and also pointed out the capacity problems they are facing but also the necessary support from the Energy Community so they can bring these issues to the attention of the hierarchy.
35. The representative of Serbia informed that an automatic conversion of the data is prepared after which they will be able to transfer the data automatically.
36. The Chairman recommended to take a closer look at the tool test phase and raised the question whether it would be useful for the Contracting Parties to try it.
37. The Task Force agreed on a joint pilot exercise with one of the Contracting Parties to gather experiences with the application of the tool on what the Serbian representative agreed.

Conclusions

38. The Chairman recalled the highly useful morning discussion on Air Quality and the information from different sources. The relevance of the emission inventories was stressed and a bigger focus on these issues was agreed to be put. The health burden of the issue was also seriously discussed.
39. In addition, the deadline for implementation of the Sulphur in fuels Directive is approaching and support from the European Commission, EMSA and the Secretariat can be provided where needed.
40. As for the Large Combustion Plant Directive, the Chairman reiterated and underlined that Contracting Parties are in implementation phase already, which also includes the reporting of emissions. He pointed that an agreement came into place to test the reporting tools (Energy Community Secretariat and the Contracting Parties) and to follow up with the experiences.
41. The Task Force requested the Secretariat to follow up with the European Environmental Agency with regard to reporting of emissions from large combustion plants.

Any other business

42. The representative of the Secretariat kindly reminded all participants on the timely submission of advance payment requests.
43. The indicative date for the next meeting of the Task Force is 26 September 2018.