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## **PETITION: Clarification of the scope of the EU ETS is needed – Waste incineration plants**

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Avfall Sverige is the Swedish Waste Management and Recycling Association. Our members ensure that waste is treated in an environmentally safe way, sustainable and long term, in all municipalities of Sweden. In accordance with our vision "Zero Waste", the Swedish Municipalities and Public Companies are the facilitators for waste minimization and reuse.

### *Clarification of the scope of the EU ETS is needed – Waste incineration plants*

Currently there are different interpretations of the *Guideline on interpretation of Annex 1 of the EU ETS Directive*<sup>1</sup> between member states regarding *Waste incineration plants*. Installations using residual municipal waste as fuel located in Sweden are included in the EU ETS while similar installations using similar fuel and with similar energy deliveries in other member states are not included. Sweden is the only member state that includes plants using residual municipal waste as fuel, not via opt-in, but via interpretation. Sweden has not applied for unilateral inclusion of additional activities, in accordance with Article 24 (1), 2003/87/EC, for the inclusion of plants incinerating municipal waste. Since the interpretation of the Guideline<sup>1</sup> evidently varies between member states, the European Commission needs to clarify the intended scope of the EU ETS before going into the next trading period in 2021.

To illustrate the matter, we consider two Combined Heat and Power plants owned by Fortum: one plant located in Sweden (Brista) and the other plant located in Lithuania (Klaipeda). Details of the two plants are found in Appendix 2. These two plants are of the same age and technology, they are about the same size and are using similar types of wastes as fuel. Nevertheless, one of the plants (Brista, Sweden) is included in the EU ETS while the other (Klaipeda, Lithuania) is not. Other examples of Swedish plants included in the EU

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<sup>1</sup> Guideline on interpretation of Annex 1 of the EU ETS Directive, (especially section 3.3.2 in the Guideline, see Appendix 1). [https://ec.europa.eu/clima/sites/clima/files/ets/docs/guidance\\_interpretation\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/ets/docs/guidance_interpretation_en.pdf)

ETS and similar plants in other member states that are not included in the EU ETS are found in Appendix 2.

**Avfall Sverige urges the European Commission to update and clarify the Guideline<sup>1</sup> to avoid differences in interpretation by different member states.**

To us it is obvious that the current version of the Guideline<sup>1</sup> introduces an element of non-harmonization in the EU ETS, although the intention of the Guideline<sup>1</sup> is to harmonize the system. This needs to be corrected before the next trading period starts in 2021.

For further discussion in these matters, please contact our adviser Jakob Sahlén [jakob.sahlen@avfallsverige.se](mailto:jakob.sahlen@avfallsverige.se) or the Managing Director of Avfall Sverige, Weine Wiqvist, [weine.wiqvist@avfallsverige.se](mailto:weine.wiqvist@avfallsverige.se), on telephone 040-35 66 00.

Best regards,  
Avfall Sverige

Weine Wiqvist  
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## Appendix 1 – Section 3.3.2 in the Guideline on interpretation of Annex 1 of the EU ETS Directive<sup>1</sup>

### 3.3.2 Waste incineration and Co-incineration

The first activity in Annex I is defined as

*“Combustion of fuels in installations with a total rated thermal input exceeding 20 MW (except in installations for the incineration of hazardous or municipal waste)”*

***Exclusion of hazardous and municipal waste incinerators***

*Installations for the incineration of municipal waste or hazardous waste are thus excluded in Annex I to the EU ETS Directive. It is for the competent authority to determine whether a particular installation falls into one of these categories taking account the relevant definitions in the WID (Waste Incineration Directive<sup>11</sup>). Installations falling under the WID have a permit under that Directive which should clearly state the status of the incineration or co-incineration units. This Directive defines an “incineration plant” as a technical unit*

*“dedicated to the thermal treatment of wastes with or without recovery of the combustion heat generated. This includes the incineration by oxidation of waste as well as other thermal treatment processes such as pyrolysis, gasification or plasma processes in so far as the substances resulting from the treatment are subsequently incinerated.”*

If a dedicated installation is found by the CA to fall under this definition, and if the waste incinerated falls predominantly under the category “municipal” or “hazardous” (according to the European waste catalogue<sup>12</sup>), then it is not subject to the EU ETS Directive in respect of any incineration that takes place at the installation.

A co-incineration plant is defined in the WID as a plant

*“whose main purpose is the generation of energy or production of material products and:*

- which uses wastes as a regular or additional fuel; or*
- in which waste is thermally treated for the purpose of disposal.*

*If co-incineration takes place in such a way that the main purpose of the plant is not the generation of energy or production of material products but rather the thermal treatment of waste, the plant shall be regarded as an incineration plant within the meaning of point 4.”*

***Co-incineration to be included in the EU ETS***

<sup>1</sup> Guideline on interpretation of Annex 1 of the EU ETS Directive, <[https://ec.europa.eu/clima/sites/clima/files/ets/docs/guidance\\_interpretation\\_en.pdf](https://ec.europa.eu/clima/sites/clima/files/ets/docs/guidance_interpretation_en.pdf)>, retrieved 2017-10-22

If the status of individual units cannot be derived unambiguously from the WID permit, the following considerations may serve as guidance: units burning waste which are situated at sites with industrial production<sup>13</sup> (within the same installa-

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<sup>10</sup> Ferro-alloys such as FeMn and FeSi are also considered to be non-ferrous metals.

<sup>11</sup> Directive 2000/76/EC of the European Parliament and of the Council of 4 December 2000 on the incineration of waste

<sup>12</sup> Commission Decision of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (2000/532/EC).

<sup>13</sup> Including both, activities listed in Annex I, and other industrial activities.

tion or outsourced to a separate operator) are usually to be classified as *co-incineration*, because the main purpose of such combustion units is the supply of energy to the production of industry goods. This fact is often supported by the substitutability of the waste unit by units fired with conventional fossil fuels. As evidence for such substitutability may serve *inter alia*:

- The waste unit is operated in technical connection with other boilers or CHP units, e.g. by feeding into a steam grid;
- The waste unit has replaced a previous boiler or CHP plant, which was fired by conventional fuels;
- The existence of reserve units which use conventional fuels;
- A significant amount of the thermal input in the waste unit is provided by conventional fuels, or other waste than hazardous or municipal waste.

Wherever the CA classifies the waste unit as co-incineration or as using other wastes than municipal and hazardous wastes, it is to be included in the EU ETS.



Liljesjöverket, Uddevalla, SE	Klemetsrudanlegget, Oslo, NO
In ETS	Not in ETS
Owner: Uddevalla Energi AB	Owner: Fortum Oslo Varme
Picture: Left	Picture: Right
Thermal input: 39 MW	Thermal input: 46 MW
Fuel: Municipal solid waste (MSW), industrial waste	Fuel: Municipal solid waste (MSW), industrial waste
Annual tonnage: 88.000 t (11 t/h)	Annual tonnage: 160.000 t (20 t/h)
Energy delivery: District heating, power	Energy delivery: District heating, power
Annual energy production: 220.000 MWh district heating 68.000 MWh power	Annual energy production: 290.000 MWh district heating 70.000 MWh power





Vattenfall, Uppsala, SE	Sheffield ERF, Sheffield, UK
In ETS	Not in ETS
Owner: Vattenfall Värme Uppsala AB	Owner: Veolia E. S. Sheffield ERF
Picture: Left	Picture: Right
Thermal input: 160 MW	Thermal input: 80 MW
Fuel: Municipal solid waste (MSW), industrial waste	Fuel: Municipal solid waste (MSW)
Annual tonnage: 420.000 t (52 t/h)	Annual tonnage: 225.000 t (29 t/h)
Energy delivery: District heating, power, process steam	Energy delivery: District heating, power
Annual energy production: 1.120.000 MWh district heating 25.000 MWh power	Annual energy production: 113.000 MWh district heating 108.000 MWh power





<b>Brista 2, Stockholm, SE</b>	<b>Fortum, Klaipėda, LT</b>
In ETS	Not in ETS
Owner: Fortum	Owner: Fortum
Picture: Left	Picture: Right
Thermal input: 80 MW	Thermal input: 80 MW
Fuel: Municipal solid waste (MSW), industrial waste	Fuel: Municipal solid waste (MSW), industrial waste, biomass
Annual tonnage: 240.000 t (30 t/h)	Annual tonnage: 230.000 t (30 t/h)
Energy delivery: District heating, power	Energy delivery: District heating and power
Annual energy production: 500.000 MWh district heating 140.000 MWh power	Annual energy production: 400.000 MWh district heating 140.000 MWh power







Sävenäverket, Gothenburg, SE	EEW, Heringen, DE
In ETS	Not in ETS
Owner: Renova	Owner: EEW
Picture: Left	Picture: Right
Thermal input: 180 MW	Thermal input: 112 MW
Fuel: Municipal solid waste (MSW), industrial waste	Fuel: Municipal solid waste (MSW), industrial waste
Annual tonnage: 530.000 t (59 t/h)	Annual tonnage: 298.000 t (37,3 t/h)
Energy delivery: District heating, power	Energy delivery: Process steam
Annual energy production: 1.500.000 MWh district heating 270.000 MWh power	Annual energy production: 968.000 MWh process steam







Sysav, Malmö, SE	Westenergy, Vaasa, FI
In ETS	Not in ETS
Owner: Sysav	Owner: Westenergy Oy Ab.
Picture: Left	Picture: Right
Thermal input: 240 MW	Thermal input: 60 MW
Fuel: Municipal solid waste (MSW), industrial waste	Fuel: Municipal solid waste (MSW)
Annual tonnage: 630.000 t (74 t/h)	Annual tonnage: 150.000 t (18 t/h)
Energy delivery: District heating, power	Energy delivery: District heating, power
Annual energy production: 1.500.000 MWh district heating 270.000 MWh power	Annual energy production: 450.000 MWh district heating 30.000 MWh power

