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MS
bc BG

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

30 October 1986

Dear Robin,

ACID RAIN: DRAFT EC DIRECTIVE ON LARGE COMBUSTION PLANTS

Your Secretary of State minuted the Prime Minister on 29 October about the handling in Brussels of further discussions on emissions from large combustion plants, in the light of the conclusions of E(A) on 10 September. The Prime Minister notes that your Secretary of State intends that there should not be expenditure beyond that which has already been authorised explicitly or which is expected to take place anyway. She believes that the handling of this issue by the United Kingdom within the Community should follow from the decisions taken earlier, including those on retrofitting, and that broad guidance was given by E(A) at its meetings on 24 July and 10 September. She therefore hopes that it will be possible for the Ministers most directly concerned to agree, without convening a meeting of E(A), on the approach to the discussions in the forthcoming Environment Council in Brussels.

I am copying this letter to the Private Secretaries of members of E(A) and to Colin Budd (Foreign and Commonwealth Office) and Sir Robert Armstrong.

Yours,

David

DAVID NORGRÖVE

Robin Young, Esq.,
Department of the Environment.

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Prime Minister¹

David Williamson

advises that on the basis
proposed here it may be
possible to agree this in
correspondence : no new
expenditure proposals are
being asked for.

Agree to suggest that
this should be cleared in
correspondence if possible?

Yes and
DWS
29/10



PRIME MINISTER

ACID RAIN: DRAFT EC DIRECTIVE ON LARGE COMBUSTION PLANTS

At the E(A) meeting on 10 September we decided that I should announce that we had authorised the CEGB to retrofit three power stations with flue gas desulphurisation and to announce that it would only authorise low-acid new plant. We did not discuss how these developments affected the negotiating brief for the Minister of State, DOE, at the Environment Council on 24 November on the so-called Large Plants Directive. It is particularly important that he should have a reasonably presentable package to advance, as President of the Council, both so that he has some hope of forestalling much worse proposals from the Commission and to avoid the accusation that he has misused the presidency to try to prevent discussion of what a majority of the Council consider to be its most important outstanding dossier.

My officials have developed a package which does not involve expenditure beyond what we have already authorised explicitly, or which would take place anyway as part of CEGB's investment programme. It has three elements.

(1) We can now press for agreement on new plant standards, both for SO₂ and for NO_x. We must put forward figures because we want to establish anti-pollution technologies which are reasonable, but less rigorous and expensive than the Germans may want.

(2) By establishing the right technology for NO_x control (low NO_x burners rather than flue gas treatment) we can aim to establish realistic cuts in total NO_x output. We should propose a figure for a reduction in Community emissions, excluding vehicles, (a 20% cut by 1995) again to try to forestall something worse, and a review of the technology by 1990 so that we can subsequently propose a further stage or stages.



(3) On the basis of the announced FGD programme, and of the future pattern of our plant orders and other sulphur emissions, we can propose a three-stage Community total SO₂ cut back which would be possible with no additional expenditure for UK. This would be a Community wide cut, from 1980, of 30% (from all sources) by 1995, 45% by 2005, and an ultimate goal (say, 2010) of 60%. We would propose to apportion this on a system developed from the Dutch compromise proposals tabled at the last Council, and expressed in tonnages, not percentages. (We must propose an apportionment, or the Commission will table a tougher rival package). The UK's contribution, on present policy, would be 1.1 million tonnes by 1995 (we have in fact already achieved exactly this) a further 0.77 million by 2005, and a further 1m by, say, 2010. Both these latter figures would be achieved in the UK by any likely new plant programmes; obviously, however, later year figures should be subject to review. The exact timing of the last of our three agreed FGD's might need to be reviewed in about 1990 to ensure we meet our first stage commitment.

Such a package provides the prospect of wrong-footing those whose objective is to isolate the UK, and though it is unlikely to be agreed finally in November, would have some chance of maintaining a reasonably powerful group of 'slow-track' countries, under our leadership, to oppose the German, French and Commission-led group of maximalists. It would also enable us to get maximum benefit from the £600m retrofit programme we have already announced.

I therefore seek the agreement of colleagues that we table the proposals at Annex A as soon as possible in Brussels.

I am copying this to members of E(A) and to Sir Robert Armstrong.

Isobel R. Gilhe (Private Secretary)

NR

29 October 1986

(Approved by the Secretary of State and signed in his absence.)

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ANNEX A

DRAFT

**CONTROL OF POLLUTION FROM LARGE COMBUSTION PLANTS
PROPOSAL BY THE PRESIDENCY**

Basing itself on the Council declaration of 6 March 1986 and in the light of discussion at the June Council on the compromise presented by the Netherlands' Presidency, the Presidency proposes the following approach as a framework for further negotiations: that the Community should set new acid-free standards for future large combustion plants, and through this technology along with additional measures on existing plant, obtain a 60% reduction in SO² emissions, along with substantial reductions in NO_x.

NEW PLANT

1. There is now a wide measure of agreement within the Community that new large combustion plants should contain the most efficient, cost-effective pollution control equipment. Accordingly the Presidency proposes that:

a. All large combustion plants above 50 MW rated thermal input authorised after /1 December 1987/ shall be required to meet maximum emission standards for SO² and NO_x related to the best available technology not involving excessive cost.

b. Discussions on the relevant emissions standards for the first stage (1987-1995) will begin immediately.

c. It is envisaged that the emission limits to be agreed for the first stage will be in the form of sliding scales in relation to plant capacity, and taking into account such factors as the relative cost of arrestment systems; fuel sulphur, nitrogen and ash contents; etc; and that the scales to be agreed will fall within the bands of table 1

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d. Among the further issues to be addressed in the negotiations will be:

i. the consequences of substantial alteration of plant;

ii. the use of certain types of lignite;

iii. monitoring requirements.

e. For the second stage (after 1995) the Commission will present appropriate proposals, by 1990 at the latest, in the light of technological development.

REDUCTION OF SO²

2. Building on the proposals presented by the Netherlands Presidency, the Presidency proposes that the Council should declare, as an ultimate goal, a Community objective of an overall reduction of approximately 60% compared with 1980 levels of SO². With a view to achieving this the Presidency proposes:

- A first stage Community objective (up to 1995) of no less than a 30% reduction on 1980 levels
- A second stage Community objective (up to 2005) of a 45% reduction on 1980 levels.

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3. Basing itself on the principles contained in the Council Declaration of 6 March together with the additional principle of comparable effort from each Member State added by the Netherlands Presidency proposal the Presidency proposes that:

a. First stage. The minimum required reduction in SO² emissions from large combustion plants of over 50 MW rated thermal input by 1995 should be such as to reduce total national annual emissions, by comparison with 1980, by the amounts envisaged in the Netherlands Presidency proposal with the exception of Italy, UK and Spain for whom more stringent second stage reductions are required. The first stage figures would be:

	<u>10³ tonnes</u>
B	380
DK	216
F	1730
D	1600
GR	-
IRL	-
I	1140
L	-
NL	234
P	Increase of 80 allowed
E	150
UK	1100

EC	6470

First stage reductions as above would achieve a

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reduction of total Community SO² emissions from all sources of some 31%. All existing national programmes for sulphur emission reduction should continue. Taking both Community and national target reductions together will enable the Council to declare that, as a Community, it ^{confidentially} expects to achieve the target set by the Helsinki Protocol to the Geneva Convention on Long Range Transboundary Air Pollution (the "30% Club").

b. Second stage. Those Member States which have contributed less to the emission reduction in the first stage would be required to make more substantial reductions in the second stage (ie by 2005) with a view to achieving an overall Community reduction of about 45% (all sources) compared with 1980 levels. In order to avoid inequities arising because of the choice of 1980 as a base date, however, the Presidency proposes that the method of apportioning reductions between Member States should be related to per capita emissions. Allowing for the fact that some Member States expect to reduce emissions by more than 45%, the target for the other states, in order to achieve a Community reduction of 45% on 1980 levels would be 50 kilos SO² per person per annum. To achieve such a target, taking into account the principles contained in the Council Declaration of 6 March, the second stage (assuming the additional first stage reductions foreseen under (a) are achieved) might be:

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	<u>10³ tonnes</u>
B	-
DK	-
F	-
D	-
GR	-
IRL	42
I	380
L	-
NL	-
P	-
E	688
UK	770

EC	1880

c. Ultimate goal. The Council should declare as an ultimate goal, say by 2010, a Community reduction of approximately 60% (all sources) compared with 1980 levels. This would involve an emissions target of 30 kilos per person per annum or less. /

REDUCTION OF NO_x

4. The Presidency considers that significant reductions in NO_x emissions from large combustion plant can be achieved in accordance with the principle of best available technology not

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involving excessive cost, even for existing plant, through primary measures ie combustion modifications (in particular low-NOx burners) which are much cheaper than (secondary) flue gas treatment systems and better developed. It should be possible for the Community to set itself the target of a 20% reduction in total stationary NOx emissions by 1995 from 1980 levels.

5. Accordingly the Presidency proposes that:

a. The Council should carry out urgent work in order to quantify the potential Community reduction in NOx emissions by 1995 using combustion modifications, and to allocate the reduction between the Member States; and

b. In good time before 1995 the Council will decide, on the basis of proposals to be prepared by the Commission in the light of the latest technological development and presented by 1990, further reductions in NOx emissions to be made in the second stage (1995-2005).

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TABLE 1

Type of fuel	Rated thermal input (*) (MWth)	Emission limit values in mg/m ³ for:	
		Sulphur Emissions	Oxides of Nitrogen
Solid (coal)	700	250-400	500-650
	100-700	Scaled accordingly(**)	Scaled accordingly
	50-100	2000	800
Solid (lignite)	TO	BE	DETERMINED
Liquid	700	300-450	450-650
	100-700	Scaled accordingly	Scaled accordingly
	50-100	2000	800
Gaseous	All plant sizes	5-50 as a rule but 250-400 for coal derived gases	250-450

(*) net calorific value of fuel burned

(**) i.e. limit values to be decreased proportionately with increasing rated thermal input

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JOINT STATEMENT

Seen agreed.

The Ministers of Environment, Dr Walter Wallmann and Mr William Waldegrave, noted with pleasure that it was now common ground between them that new coal-burning power stations should be equipped with modern acid-free technology. An agreement in Brussels on limits for new coal burning power stations was regarded by both Ministers as potentially achievable this year. They agreed that both countries would collaborate closely on a wide range of transboundary atmospheric pollutants and the availability of measures for their control. They saw this agreement as an important demonstration of their mutual concern to reduce air pollution in a manner that achieves a proper balance between environmental and industrial goals.

The Ministers also noted with satisfaction the increasing availability of lead-free petrol, in both their countries, and agreed to discuss further, in the context of their bilateral contacts under the UK Presidency, the proposal from the Federal Republic to permit member states of the Community the option of prohibiting the sale of regular grade leaded petrol.