



BETTER
REGULATION
AIMED AT
VALORISING EMAS

Annex 1.14 Valencia case study: Simplification of IPPC renewal for those installations certified under EMAS



Introduction to the case study

The IPPC approach is characterized by unifying in a single permit the sectorial environmental authorizations. As backup and guaranty of the implementation and effectiveness of this new mechanism, inspection, surveillance and control measures of environmental conditions are established in the permits. Among these environmental conditions, the Emission Limit Values (ELVs) for pollutants are specified, which should be based on the Best Available Technologies for the prevention and environmental control of the pollutants to be regulated.

Therefore, improving the environmental performance of organizations not only involves the use of environmental technologies but also the environmental management practices that allow control, monitoring, measurement and improving the environmental performance of organizations. EMAS Regulation enables the organizations in this sense. That is why the complementarity between IPPC activities and the EMAS Regulation can speed up or simplify the procedures for granting and renewal of permits, as well as the environmental surveillance, inspection and control of them.

IPPC Directive was recasted into the Directive 2010/75/EU on industrial emissions. This Directive does not consider the possibility of simplifying the permitting and following-up procedure, but promote among Member States the adoption of an integrated approach as a new environmental management intervention model based on the coordination, simplicity and agility reducing thus burdens that the owner of the installation is forced to deal with prior to the start-up and during the operation of an activity.

This case study address a measure for the integration of the activities related to the implementation of the IPPC Directive and the EMAS Regulation. Specifically, this case study is focused on the coordination of IPPC permit renewal and the EMAS Regulation carried out by Valencia Government.

1.1 Motivation of case-study

This case study is motivated by the following criteria:

- Simplification of the regulatory framework: it allows to simplify the administrative procedure of renewal of IPPC permit
- Better management of legal compliance: the simplification is based on the guarantee of EMAS to comply with environmental legislation
- Keeping up with competitors: IPPC is an industrial sector characterized by a strong competitiveness, this measure represents an additional advantage

The objective of this case study is to analyze the effects of the simplification of administrative procedures in IPPC installations registered under EMAS scheme in Valencia region.

1.2 Methodology

Methodology applied in the case study analysis:

- Data collected from:
 - MED-IPPC-NET Guidelines on the Best Practices on IPPC Permitting and Following-up Procedure (MED-IPPC-NET project)
 - Instituto Mediterráneo para el Desarrollo Sostenible, 2009. La aplicación de la norma IPPC en la Comunitat Valenciana.
 - European Parliament, 2010. Directive 2010/75/EU of the European Parliament and of the Council, of 24 November 2010, on industrial emissions (integrated

- pollution prevention and control) (recast). Official Journal of the European Union L 334, 17e119.
 - Valencia Government, 2006. Law 2/2006, of 5 May, on pollution prevention and environmental quality. Official Journal of Valencia Region n. 5256 pp. 16611-16659.
 - Valencia Government, 2006. Decree 127/2006, of 15th on September, from Consell (Valencia Council), about the development of Law 2/2006, of 5th in May, of pollution prevention and environmental quality. Official Journal of Valencia Region n. 5350 pp. 30647-30682.
 - Spain Council, 2007. Real Decree 509/2007, of 20th in April, about the regulation of development and execution of Law 16/2002, of 1st on July, about Integrated Pollution Prevention and Control.
 - Spanish Ministry of Public Administration, 2010. Perfiles económico-financieros de las CC.AA. Comunidad Valenciana.
 - Spanish Institute of Statistics (www.ine.es)
- Data collected by interviews: technicians from Environ, technicians from IMEDES.

2 The simplification measure

2.1 Description of the measure

This case study collects information about a regulatory relief measure. The measure reduces the information required for IPPC permit during its renewal, so it streamlines the applications submitted by IPPC operator during the renewal procedure. The main EMAS burden addressed by this measure is the lack of recognition by public institutions.

IPPC regional authority considers EMAS as reliable and a valid certification to ensure the IPPC approach. According to article 41.2 of Law 2/2006, of 5 May, from Valencia Government, on pollution prevention and environmental quality:

“The operator, before the expiry of the period of validity of the authorization, shall apply the renewal to the competent authority, that will be processed by the simplified procedure established by regulation, and will include a supporting environmental assessment of the adequacy of the installation or activity to all environmental conditions in force at the time of applying for renewal. Such environmental assessment will be issued by a collaborating entity in the field of environmental quality regulated by Decree 229/2004, of 15 October, of Valencia Government or by the standard that replaces it. In any case, the installation or activity comply with the existing environmental requirements, if, in accordance with Regulation (EC) 761/2001, of the European Parliament and of the Council of 19 March 2001, allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), has implemented the referred system in terms of that regulation, or of the rule which replaces it.”

This measure is also adopted, in the same way, by the Decree 127/2006, of 15th on September, from Consell (Valencia Council), about the development of Law 2/2006, of 5th in May, of pollution prevention and environmental quality. In particular, its article 45 says:

“The facility or activity will conform to current environmental constraints, if, in accordance with Regulation (EC) 761/2001, the European Parliament and Council of 19 March 2001 which enables organizations to voluntarily adhere to a system-management and Audit Scheme

(EMAS), has implemented that system in the terms of that regulation, or of the law which it replaces.”

When the operator applies for the renewal of the IPPC permit, he will have to provide an Environmental Assessment which contains the fulfillment of conditions set in the IPPC permit. So, the main goal of this measure is the exemption from that Environmental Assessment for the EMAS companies which are submitting the renewal of the IPPC permit.

The permitting procedure in the case of IPPC permit renewal starts when the operator applies for the renewal 10 months before finishing the duration of the permit, for those activities included in annex I of the Law 2/2006. After that period, if the competent authority does not have granted the permit, the renewal is considered as approved. In Valencia, the documents to submit for renewal of IPPC permits are:

- The environmental assessment regarding the IPPC permit conditions: it is a report issued by a collaborating entity in the field of environmental quality regulated by Decree 229/2004, of 15 October, of Valencia Government.
- Description of changes of the installation (implemented since the issue of the previous IPPC permit or planned for the future). Justification of whether changes are or not considered as substantial.
- Information about the Best Available Techniques and emerging techniques implemented, regarding the BREF documents applicable to the installation.
- Soil status report. It shall include control and prevention measures for soil and underground waters pollution.
- Sheets filled with information about air emissions sources.
- Auto-protection plan for emergency situations.

The documentation required in case of EMAS companies is the same, except the environmental assessment.

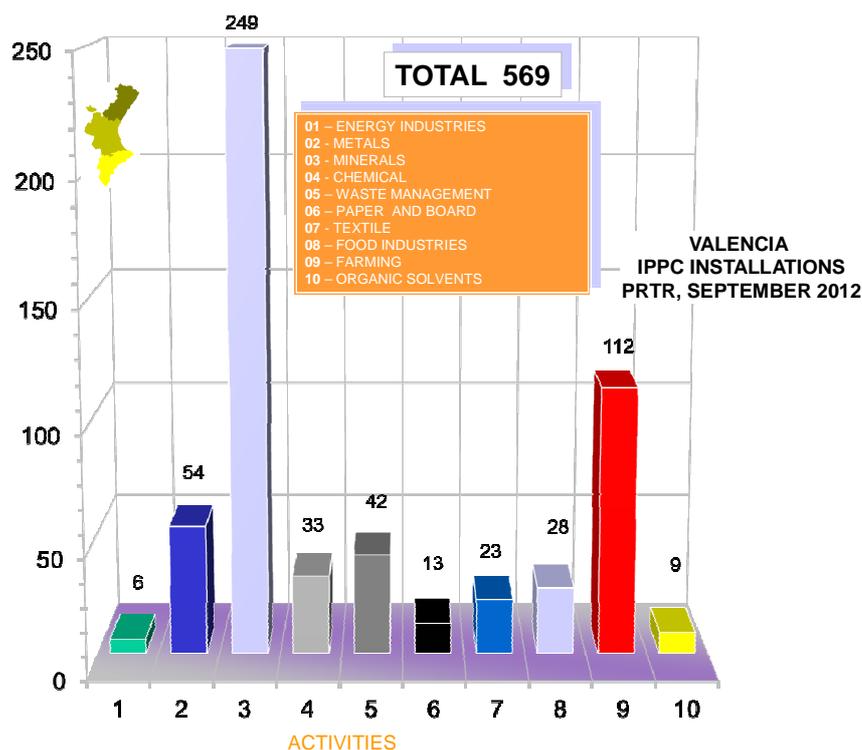
This measure was subsequently adopted at national level by the Real Decree 509/2007, of 20th in April, about the regulation of development and execution of Law 16/2002, of 1st on July, about Integrated Pollution Prevention and Control. According to the article 8 of this Real Decree:

“In connection with those activities which implement environmental management systems certified externally by EMAS or ISO 14001, the Autonomous Communities may establish rules to simplify the mechanisms for verifying compliance with the obligations of the integrated environmental authorization and processing an application for approval or adjustment and subsequent renewals.”

2.2 Description of the characteristics of the sector within the region

Integrated Pollution Prevention and Control (IPPC) is a regulatory framework that applies an integrated approach to control the environmental impacts of installations included in 57 industrial categories. In Valencia region, there are currently 569 IPPC installations, distributed in the following categories:

Valencia Case Study



The European IPPC Bureau draws up reference documents for each sector, named BREF documents. Each BREF contains a description of overall data (in aggregated form) and key environmental aspects of the sector addressed, a description of applied techniques, current emission and consumption levels, techniques considered for the determination of Best Available Techniques, Best Available Techniques conclusions and emerging techniques. Some BREF have been adapted to the conditions of Valencia region: intensive rearing of poultry and pigs, ceramic and wood sector. Nevertheless, it is very difficult to obtain economic data from the whole IPPC sector in Valencia. Therefore, the analysis has focused on the regional economy of Valencia.

These are the main social and economic indicators in Valencia region, and compared with Spain:

	VALENCIA REGION	SPAIN
1. DEMOGRAPHICS		
- Suurface (Km ²)	23.255	505.938
- Inhabitants register (01-01-2011)		
* Inhabitants	5.117.190	47.190.493
* Population density (Inhab./Km)	220,0	93,3
* Population variation (01-01-11/01-01-10)	5.484	169.462
* Percentage variation (01-01-10/01-01-09)	0,11	0,36
- Population variation (%). Period 1991-2001	7,9	5,1
- Migrations: internal migratory balance. Period 2001-2010	93.314	0
- Distribution of population (%)		
<i>By size of municipalities (Register 2011)</i>		
< 2.001 inhabitants	4,2	6,0
2.001-10.000 inhabitants	13,1	15,0
10.001-100.000 inhabitants	50,6	39,2
100.001-500.000 inhabitants	16,6	23,7
> 500.000 inhabitants	15,6	16,2
<i>By age (Register 2010)</i>		
0 a 15 years old	15,8	15,7

Valencia Case Study

16-64 years old	67,5	67,5
65 and more years old	16,7	16,9
2. LABOUR MARKET (Third quarter of 2011)		
- Population of 16 and more years old	4.168,3	38.487,8
- Active (thousands)	2.496,6	23.134,6
- Employed (thousands)	1.879,3	18.156,3
- Unemployed (thousands)	617,3	4.978,3
- Registered unemployment (thousands). September 2011	525,7	4.226,7
- Activity rate (%)	59,90	60,11
- Employment rate (%)	45,09	47,17
- Unemployment rate (%)	24,73	21,52
- Unemployment rate for 15 and more years old (UE-27=9,6%). 2010	23,3	20,1
- Sectorial structure of employment (%):		
* Agriculture	2,7	3,9
* Industry	17,9	14,2
* Construction	7,5	7,5
* Services	71,9	74,4
3. PRODUCTION (2000)		
- GDP (millions euros). Year 2010	102.064,3	1.062.591,0
- GDP variation 2010-2009 (%)	-0,6	-0,1
- GDP regional participation in the national overall (%). Year 2010	9,6	100,0
- GDP/Inhab. (euros). Year 2010	20.465	23.063
- GDP/Inhab. (Spain average=100). Year 2010	88,7	100,0
- Variation of GDP/Inhab. 2010-2009 (%)	0,8	0,5
- Gross available income/Inhab. (Spain average=100). Year 2008	90,1	100,0
- GDP/Inhab. (Average UE27=100). Year 2009	91,0	103,0
- Sectorial structure of GDP (%). Year 2010:		
* Agriculture	2,3	2,7
* Industry	16,3	15,6
* Construction	10,4	10,1
* Services	71,1	71,7
4. EXTERNAL COMMERCE (Year 2010)		
- Trade balance (millions euros)	-725	-52.283
- Regional imports/national exports (%)	10,1	100,0
- Exports/GDP (%)	18,3	17,5
5. POWER SYSTEM (Year 2010)		
- Installed power in 31-12-2010 (Mw):		
* Total	7.273	104.694
* Hydraulics	1.258	19.555
* Thermal (coal, fuel-gas and combined cycle)	3.598	51.664
* Nuclear	1.085	7.777
* Eolic	1.050	20.205
* Other renewable sources	282	5.493
6. INFORMATION AND COMMUNICATION TECHNOLOGIES		
<i>Percentage of firms with more than 10 workers (January 2011)</i>		
* Computer	98,7	98,6
* LAN	85,2	86,4
* Interaction with public authorities	80,8	84,0
* Internet connection	96,9	97,4
* E-mail	95,9	96,8
* Mobile broadband	47,8	50,4
* Website	67,0	67,0
7. ENVIRONMENT		
- Mixed waste collection (kg/person/year). Year 2009	381	444
- Selective urban waste collection (% over total). Year 2009	23,2	21,7
- Home use of water (liter/inhabitant/day). Year 2009	174	149
- Treated waste water (m3/inhabitant/day). Year 2009	0,3	0,3
- Protected surface Natura 2000 (% over total surface). Year 2010	37,5	27,1
8. EDUCATION		
- Non-universitary education		
* Illiterate population of more than 16 years old (%). Year 2010	2,1	2,3
* Enseñanza Primaria: alumnos por unidad. Year 2010-2011	21,6	21,2

Valencia Case Study

* Child education: net rate of schooling (0-2 years). Year 2010-2011	22,1	28,6
* High school: gross rate of schooling (16-17 years). Year 2010-2011	64,3	75,8
- University education		
* Enrolled students. Course 2009-2010	132.474	1.214.746
* Students 18-26 years per 100 inhabitants of same age. Year 2009-2010	18,5	17,2
* Population of more than 16 years old with university education (%). Year 2010	22,7	24,2
9. RESEARCH AND DEVELOPMENT (Year 2010)		
- Investment R+D (thousands euros)	1.080.986	14.588.456
- Investment R+D (% GDP)	1,06	1,37
- Regional indicator (Spain=100). Year 2009	79,7	100
- Regional indicator (EU=100). Year 2009	54,7	-
- Full-time equivalent staff in R+D	19.739	222.022
- Full-time equivalent staff in R+D (per 1.000 employees)	10,21	12,03

Within the productive structure of Valencia region, and with data relating to the period 1995-2010, it can be underlined the following aspects:

- Reduced weight of the primary sector, although with a significant presence of high value-added agriculture, specializing in fruit and vegetable products with a strong export orientation. However, this sector shows a downward trend, setting its percentage of participation in the regional aggregate value in a 2.3% in 2010 (3.6% in 1995), in front of 2.7% from Spain.
- Accused presence of the industrial sector, also in decline in participation in regional production, whose weight in the aggregate value fell from 24.8% in 1995 to 16.3% in 2010, percentage which is still seven tenths of a point higher than the Spanish average in the same year. The most important sectors are: ceramics and construction products (19% of industrial value); agro-food industry (18%); furniture (11%); textile, shoes and tannery (10%). This industrial sector is characterized by the following aspects:
 - Weak demand and low growth potential
 - Veteran businesses and little demanding on knowledge
 - Intensive companies in low-skilled labor
 - Moderated environmental impact in average, uneven al sectorial level.
- Expansive tendency of the construction, whose contribution to the regional aggregate value rose three points between 1995 and 2010, to reach 10.4%, exceeding the Spain 10.1%.
- Tertiary sector also in growth, especially in the branch of market services, which puts its proportion in total regional production in a 71,0% (64.2% in 1995), allowing to reduce the negative differential that keeping with national average 71.6% in 2010.

The level of productivity of this regional economy - slightly below the Spanish average - is accomplished using some fairly similar levels of fixed capital, human capital per worker and computer per employee. And with an intensity of spending R+D clearly below Spain average.

From the environmental perspective, more polluting activities are: ceramic and building industries (province of Castellón), agro-food industries (province of Valencia), the energy sector and farming (northern part of Valencia region). All of them are included in the scope of the IPPC Directive.

Environmental and technological characteristics of the productive activity in Valencia, next to the small business size, allow understanding that the degree of commitment to environmental technologies is moderate to low, and that business attitude toward environmental management is essentially reactive. Only some companies of the most polluting sectors remain a more active position in what refers to clean technologies. However, modernization capabilities

come from the network of technological institutes (REDIT) and large enterprises, which can spread the practices of eco-innovations.

The Valencia production system is not a great generator of pollution. Especially because the dominant industry is labor-intensive, little capital intensive and, therefore, little intensive in terms of matter, energy and water, so it has moderate environmental impact. At the same time that the business structure, with a marked predominance of SMEs, it is generator of diffuse pollution.

The IPPC sector, although it is not representative of the whole of the Valencia business, is significant from the perspective of dissemination of good environmental practices, given its condition of leading business collective and emblematic reference of the business world.

The IPPC Directive in Valencia region is proving effective to reduce environmental impacts and risks to human health from highly polluting activities, with benefits for the image of the companies, without compromising their competitiveness, and with a very moderate or non-existent impact on its profitability. The degree of maturity reached by clean technologies in the different sectors, as well as the level of environmental commitment of the companies at the time of their implementation, have had some influence in the economic benefits generated by this policy as well as environmental accomplishments.

3 Analysis

3.1 Analysis of the “level of application” of a measure

Among 569 IPPC installations in Valencia, only 2 of them are registered under EMAS scheme (BP Oil España, Juan y Juan Industrial S.L.U.), and none of them have renewed their permit yet.

3.2 Analysis of Adopters’ benefits

As stated in the paragraph “2.1 Description of the measure”, the main benefit is the exemption from submitting the Environmental Assessment for the EMAS companies which are applying for the renewal of the IPPC permit.

The benefits for the EMAS company by adopting this measure are both economic and administrative:

- Economic saving: the cost of the environmental assessment for the renewal depends on the installation size. The personnel rate is about 1.000 €/day, according to information provided by environmental collaborating entities.
- It avoids duplicity of information required and additional requirements from the competent authority. It streamlines the renewal of IPPC permit.
- To improve the relief from public administrations.
- To simplify the environmental communication activities.

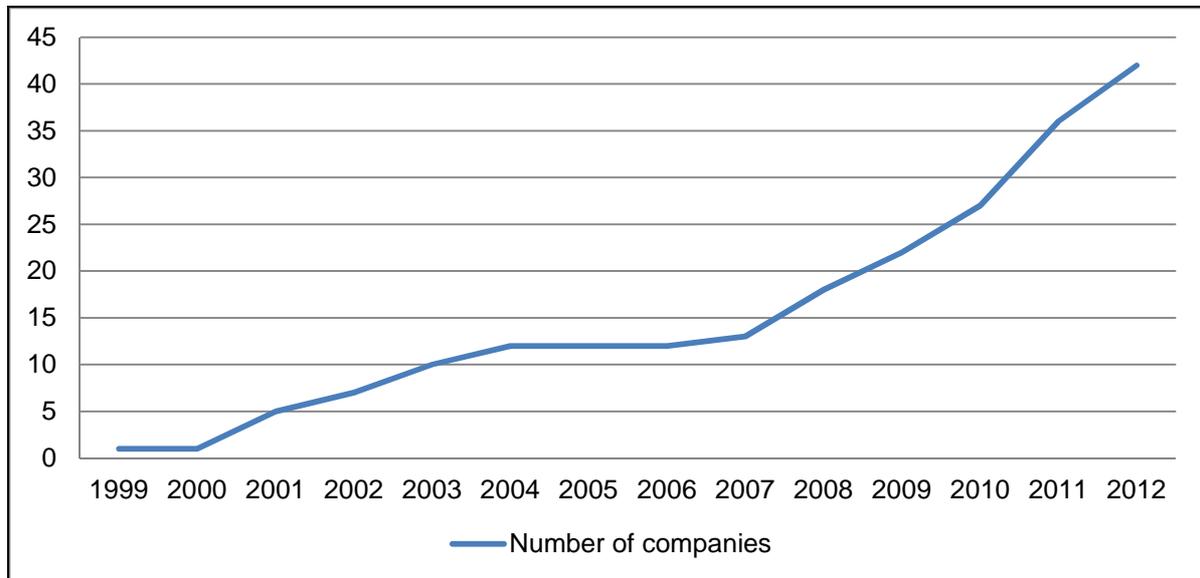
The benefits for the competent authority (public administration) by adopting this measure are:

- To improve the efficiency of renewal procedure, in terms of time.
- To improve pollution control in IPPC installations.
- To reduce surveillance activities.
- To obtain environmental performance data from IPPC installations validated by an independent entity.

The economic savings are particularly important for the EMAS companies, taking into account that the average cost of IPPC adaptation hugely varies from 125.000 € to 100.000.000 € per installation, depending on the sector, size and grade of eco-innovation.

3.3 Analysis of the achieved results at the macro level

The evolution of registration number of companies under EMAS in Valencia region is showed in the following figure:



The measure corresponding to this case study was adopted in 2006. Indeed, the number of EMAS registrations increased considerably from that year. However, it is difficult to say whether this increase was due to the IPPC measure. Moreover, in 2006 the Valencia Government set up the Clean Technologies Center, a public institution to promote EMAS and EU Eco-label.

3.4 Awareness analysis

The MED-IPPC-NET project carried out a survey on IPPC companies in Valencia region in 2010. The results showed the need for a better coordination among the public administrations and procedures in 56% of surveyed companies.

IPPC Service in Valencia region does not currently communicate this EMAS simplification measure to IPPC companies during the administrative procedure. It could be easily overcome by communicating this measure in the IPPC permit. However, IPPC Service informs about the existent simplification between EMAS and the environmental responsibility legislation.