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Subject: A Clean Air Programme for Europe
- Comments from delegations

With a view to the WPE meeting on 24 February, delegations will find in Annex comments from the United Kingdom on the above-mentioned Communication and proposals.

UNITED KINGDOM

Questions on the impact assessment for Monday's Working Group

General questions

- Greater transparency of the modelling results would make it easier for Member States to begin to form opinions on the package. In particular, we would be grateful for an explanation of the measures that would need to be adopted to meet the targets and their costs, as well as what has been valued in the wider benefits assessment.
- We welcome the release of the IIASA data on the measures required to meet the proposed targets. While this will provide more information on the measures, analysis of it will take time. Will a summary explaining the measures and their assumptions be included in the forthcoming consultants' report?
- What consideration has the Commission given to other factors affecting uptake of the assumed measures, such as practical and political feasibility?

Specific questions

In addition the UK also has a number of more specific technical and economic questions.

Questions on the baseline modelling:

- We have commented previously about the need for the analysis to properly address the many uncertainties in the baseline. Has any analysis been done considering the range within which the baseline is likely to lie, and how this would affect costs of compliance?
- How have assumptions for the effectiveness of the new vehicle testing procedures been arrived at? What evidence does the Commission have to reassure us that the revisions to the test procedure will ensure Euro 6 emission standards deliver the expected reductions in emissions in the real world? As the Impact Assessment notes, the impact of poor implementation on non-compliance is considerable (pg 31: could triple non-compliance in 2020)

Questions on the modelling of measures:

- The modelling is based on a central case which indicates that we have a 50:50 chance of meeting the target, even if all assumptions are met. We are concerned about adopting a legally binding limit, which could result in penalties if it is missed, with this level of uncertainty. What adjustments for optimism bias have the Commission considered?

- The modelling of measures and the costs of meeting targets does not appear to consider what is practically feasible. Also for a number of measures the technology assumed to deliver the reduction is not clear. We would welcome further information on these measures. What consideration has the Commission given to the likely gap between what has assumed to be technically feasible and what might be practically feasible? E.g. rapid incorporation of manures on uncropped arable land is good practice but not enforceable.
- There are a number of measures shown to be cost-effective that are available currently but are not being adopted by industry. Has any analysis been conducted on what the barriers to take-up are and what interventions might address these barriers? If these measures are excluded from the assessment, by how much do costs increase?
- How are costs split between sectors under the proposed 70% target?

Questions on quantification and valuation of benefits:

- Greater transparency of the modelling would make it easier for Member States to assess the implications of the proposals. Can the Commission provide further information on how the wider benefits assessment has been undertaken and what the high and low estimates represent?
- There is significant interest in metrics which show the benefits of improved air quality in direct economic terms, e.g. lost working days. However, in order to be able to use such figures with confidence and to gain their acceptance more widely, the provenance of the coefficients used needs to be clear. The source of the coefficients for morbidity and other non-mortality impacts is not clear. Can the Commission provide further information on this?
- We understand that costs have been discounted but the benefits have not. Is that right? What is the rationale for this as it seems to create an internal inconsistency in the analysis?

Questions on medium-sized combustion plants:

- Our initial analysis suggests that around 75% of plants (almost 12,000) affected in the UK are between 1 and 5MW. They account for around 30% of emissions. What alternatives to regulation, and other exemptions or derogations, did the Commission consider?
- What proportion of plants are between 1 and 2MW?
- What assessment has been made of the applicability of the benchmark ELV standards across the EU?
- If non-compliance is shown to be unrelated to the medium-sized combustion plants in a particular zone, would this provide grounds for the benchmark ELVs to be disproportionately costly? How will the varying size and nature of air quality zones between Member States be taken account of?

Other questions:

- How have air quality impacts been considered in the climate proposals? The impact assessment notes that biomass was raised as a concern during the consultation (page 23) – is this being reflected in both the air quality and climate proposals?
 - €100m under the new LIFE regulation is assumed in the period to 2020 (page 45). As this only covers 30% of the non-compliant zones, how are other zones expected to reach compliance without further cost?
 - How does the proposal assess impacts on energy and food security? The energy market being dynamic will react to increased costs from some energy sources by re-balancing.
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