



Minutes

50th Meeting of the Subgroup for Hot Spots Exclusion (SHE#50)

St. Petersburg, September 21st, 2016

1. Opening of the Meeting

The telephone/web meeting was opened at 09.30 with the following participants:

- Russia (co-chair Maria Dronova, Ivan Popov, Mikhail Kolegov, Larisa Kolonikova)
- Norway (co-chair Hanne Aronsen, Olaug Bjertnæs, Ingrid Lillehagen)
- Sweden (Åke Mikaelsson, Ylva Sardén)
- Finland (Emma Nurmi, Henna Haapala, Tatu Turunen, Jonas Liimatta)

and Observers:

- IBS (Maria Dianova)
- NEFCO (Henrik G. Forsström, Ruslan Butovskiy, Tatiana Tiupenko, Yan Tsygankov)
- Consultant Hans Borchsenius, Norsk Energi

2. Adoption of the Agenda

The agenda was adopted.

3. Review and adoption of Minutes from the SHE 49 Meeting

Minutes of SHE 49 were already adopted intersessionally and circulated (01.07.2016) to the SHE group.

4. Follow-up of tasks distributed at previous meetings

The follow-ups from SHE 49 were addressed.

5. Information about the Pilot Hot spot Support Activity in Arkhangelsk, September 26-28

Åke Mikaelsson presented the program for the Pilot Hot Spot Support Activity in Arkhangelsk (Novodvinsk) 26-28 September 2016. The topic for the seminar is BAT in Russia and the new BREF for the Pulp and Paper industry. The seminar will be organized as a co-operation between the BAT Bureau in Moscow, The Arkhangelsk Ministry of Natural Resources and Timber Complex and the BEAC WGE Subgroup on Hot Spot Exclusion. As part of the seminar, a role play will be organized to simulate a permit

granting situation in accordance with the new BAT legislation in Russia. Nearly 100 participants are expected. The aim of this seminar for the SHE group is to seek synergies between the actions needed by the enterprises in order to comply with the new BAT legislation and the process to be excluded from the Hot Spot List.

This is the first Hot Spot Support Activity to be conducted by the SHE group and a big event for the group as such. The formal invitation to the SHE group came very late and it was noted that this and other formalities in preparation should be improved before the next support activity. A report will be written by Sweden after the seminar and circulated to the SHE group, presenting the results and achievements of the seminar, including lessons learned.

6. Cleaner Production and “Hot Spots” in the Russian Barents

Yan Tsygankov from the Cleaner Production and Sustainable Development Centre (CFC) in Moscow informed about a review he is doing as a consultant on the 2010 report "Study on Environmental Hotspots and Cleaner Production in the Russian Barents Region". The task is given by NEFCO and funded by the Barents Hot Spot Facility (BHSF) fund.

The basic task is to review the report "Study on Environmental Hotspots and Cleaner Production in the Russian Barents Region" from 2010, to analyse the current situation, and to propose updates and other recommendations regarding the Cleaner Production concepts based on the report, especially with a focus on the remaining Barents environmental "hot spots". In this context, it will be taken particular notice of the development and introduction of Best Available Techniques (BAT) in Russia.

A draft report is ready and will be circulated to the SHE group members for comments. Any comments should be sent directly to Mr Yan Tsygankov. The deadline for comments is October 10th.

During his presentation, Mr Tsygankov gave examples of Cleaner Production activities that had been implemented on Barents Hot Spots with funding from the Norwegian Ministry of Climate and Environment. Russia questioned the framework of the CP activities and noted the importance of avoiding overlap between bilateral and multilateral (here Barents) activities. It was explained that the CP activities are intended to be supporting, however, not overlapping the SHE group's work on hot spot exclusion.

It was noted that one of the main conclusions from the 2010 report was that CP activities so far have been addressing low hanging fruits and that we now enter into a more difficult phase. It was also noted that the investment projects in small and medium enterprises have proven to be more difficult to implement, partly due to challenges for some enterprises to be eligible for funding from NEFCO.

7. The update of the Action Plan on Climate Change for the Barents Co-operation

The WGE Chair Ingrid Lillehagen presented information on the process to update the Action Plan on Climate Change, called for by the BEAC council. In this update, contributions from the sub groups will be important for WGE. A task will be given to SHE from WGE on how SHE can contribute to the new action plan.

The climate mitigation contribution resulting from the hot spot exclusion process can be a possible input from SHE.

Sweden reminded of the fact, that inspired of the seminar on climate work arranged by Finland in St Petersburg in September 2014, and aiming at enabling the joint work on the Action Plan on Climate Change, a special venture was made for broadening the regular climate work made by Norrbotten and Västerbotten, so that it could catalyst deepened exchange of data and experience also within the Barents work. Based on this Ms Ylva Sardén from Norrbotten made a special presentation on emission data from different sectors as well as on regional climate action plans and also addressed the up-coming NMR-funded (small) project coordinated by Arkhangelsk, aimed at connecting also the Russian regions to the climate work in Barents. It was also stressed that, for appropriately using the potential in this work, climate experts in all counties of the Barents countries need to meet and exchange both data and experience. In connection with this, Henrik Forsström from Nefco mentioned an upcoming NMR programme that may enable joint actions if such cooperative preparations are made.

Based on the work done in Norrbotten, calculations on the emissions from different hot spot sectors could be extracted. The SHE group will look further into this and how it can be done.

8. Review of Template for Definition of Specific Exclusion Criteria

The group discussed the draft template for Definition of Hot Spot Specific Exclusion Criteria, including the received proposals for changes from Russia and Norway. The template is a tool for a unified way of presenting Specific Exclusion Criteria for the different hot spots.

The group was not able to come to a conclusion on the template. Especially on the question of who will propose and who will decide the Specific Exclusion Criteria (SHE, HEG, regional or federal authorities, or others?). The group decided to continue the discussion after the meeting, intersessionally. Norway and Finland will draft a revised version of the template based on the discussion and circulate it to SHE with a two-week deadline for comments. It is also important that clarifications on roles etc. are made on the Russian side.

9. Definition of Specific Exclusion Criteria for Hot spot A3-1 (Severodvinsk Heat and Power Plant 1 of Territorial Generating Company No 2)

Ruslan Butovskiy presented a revised draft of the Definition of Specific Exclusion Criteria for Hot Spot A3-1 based on input from the hot spot owner and the regional HEG and comments received from Nordic experts.

The proposal for exclusion criteria for A3-1 was well received in general and it was noted that it is quite ambitious. It was recognized that there might be a need for being more specific on what should be achieved in order to determine if a criteria is met or not. This will form the basis for the decision on exclusion.

Concerns were raised regarding the long time span it might take to implement some of the actions to be able to meet the criteria. It was noted that SHE may have to elaborate appropriate means for keeping track of the actions implemented over time. It was also noted that the issue of Hg emissions and ash management at the A3-1 has been raised, also in other international fora, and should somehow be addressed.

It was agreed that Ruslan will continue the work on refining the exclusion criteria on A3-1, on behalf of the SHE group and in co-operation with the hot spot owner and regional authorities (HEGs), as well as the nominated Nordic experts, to come up with a final draft that can be presented to the SHE group.

10. Hotspot A4 Novodvinsk Pulp and Paper

Olaug Bjertnæs gave an update on Nordic TEC review of the A4 hotspot, starting with explaining the work of the Nordic experts in general, on reviewing information about hot spots. The experts compare the emissions and discharges from a hot spot, as reported/documented in the Screening and Analysis report, with relevant European BAT (BAT AELs) and emission data from similar enterprises in the Nordic countries. Differences in tradition for measuring and quantification of emissions and discharges makes comparison challenging. Further use of dialogue (meeting/telephone or e-mail correspondence) with the hot spot owner might be useful to clarify questions and possible misunderstandings. When ready, the experts are to give a recommendation to the SHE group.

It was concluded that, regarding hot spot A4 there are still questions that need to be clarified.

The group encouraged Olaug to use the opportunity next week, in the margins of the BAT seminar in Arkhangelsk, to talk to the representatives from the A4 Novodvinsk PPM to try clarifying the possible misunderstandings. After this, the Nordic experts will prepare an updated draft of the TEC review that will be sent to SHE.

11. (Lunch)

12. Hotspot Ko2-1 (Vorkuta Cement Plant (VCP), dust)

Åke Mikaelsson presented an update on the status on the plant, to serve as input to the update of the Nordic TEC review, which though is not finalized yet. As a result of the work of the previous ACAP Expert Group on Dioxins and Furans, two reports recently were completed; 1) The final report of the Sampling & Analysis assignment on the VCP, measuring inter alia dioxin and dust emissions and prepared by the Russian consultant "Polar Fund" and 2) The final report of the Feasibility and Action Plan assignment for the VCP, assessing the feasibility for relevant emission reduction actions at the plant and suggesting an action plan, compatible with the hot spots work. This second report was prepared by the Danish consultant COWI and had been issued just the week before. The 1st report documented that the dioxin emissions from VCP under ordinary production level and with standard fuel (coal) do not exceed the levels of the corresponding EU BREF for Cement production and does not violate the standards of the Stockholm POPs convention. Nor does VCP violate current dust requirements. The 2nd report concludes, however, that despite of the installation of electro-static precipitation filters, there is still potential for further reductions of dust emissions. It further concludes that if the existing plans for using waste as additional fuel are implemented, there is a need for additional requirements on emission control/reduction of emissions. The 2nd report therefore suggests an action plan on optimising the operation and the filters for further emission reduction as well as for an appropriate emission control system.

Based on this, the Nordic experts will prepare an updated draft of the TEC review that will be sent to SHE. Sweden will co-ordinate.

13. Hotspot Ko1 (Greenhouse gases from Vorkuta coal field)

Russia informed about the status of the enterprise after the explosion in one of the mines. The mine with the accident (Severnaya) is now filled with water and closed temporarily.

Olaug Bjertnæs presented an update on the status for Nordic TEC review. Some of the received information may seem contradicting. Rosprirodnadzor recommended exclusion in their statement of 20.02.2015. Later the experts learned that fees/fines were paid in 2015 and wonder if this was for incompliance? During the meeting it was explained that this might be fees for methane emissions – which will never be 0 (zero).

According to the screening & analysis report the current environmental permits were valid until the end of 2015. The experts wonder - what is the status now? Are the mines in Ko1 operating under temporary permits?

The Nordic countries do not have coal mines and thus lack experience with this issue. The Nordic experts have looked for EU regulation on methane from coal mines and could not find any. Therefore, the experts have very little relevant information available to compare the reported emission values with. It is therefore difficult to make a proper TEC review of this hot spot.

Henna Haapala informed that the Economic Commission for Europe (UNECE) has published guidance on Best Practice for Effective Methane Drainage and Use in Coal Mines (ECE Energy Series no 31, 2010). Finland will circulate available information on this.

It was acknowledged that we need to find the status of the environmental permits for Ko1 – are they temporary or permanent? We also need to finalize the TEC review, also stating what is not possible to review, if relevant.

It was noted that this hot spot might also be relevant for the ACAP Expert Group on short-lived climate pollutants (SLCP) under the Arctic Council.

Henrik G Forsström noted the possibility of using foreign expertise in this case.

Mikhail Kolegov (Komi) offered to check the status for the environmental permits, including the status of environmental fees/fines, at the Ko1 mines, and report back to the SHE group.

The group decided to set up a small Task Force (Henrik G Forsström, Olaug Bjertnæs and Mikhail Kolegov) to sum up the information on Ko1 and indicate ways forward, until next SHE meeting.

14. Presentation of project on hot spot Ko7 – (Wastes of timber and Pulp and Paper industry)

Hans Borchsenius, consultant from Norsk Energi, presented results from a bilateral co-operation between Norsk Energi and the Komi Ministry of Industry and Transport on a programme for utilisation of wood waste for energy purposes for the Ko7 hot spot. Through the project, about 100 investment projects for utilisation of wood waste are implemented. The most important are: 14 factories for production of wood pellets and

wood briquettes, 4 storage sites for wood waste, 3 power plants that produce electricity and heat based on wood waste and 5 municipal boiler houses converted from coal or mazut to wood fuel. In addition many smaller projects (pellet boilers for individual houses etc.) are implemented. Mr Borchsenius also presented some thoughts on specific exclusion criteria and the limitation of the hot spot Ko7.

The SHE group appreciated the encouraging results and referred to the further discussion of specific exclusion criteria for Ko7.

15. Definition of Specific Exclusion Criteria for Hot spots Ko6 and Ko7

Ruslan Butovskiy informed about the development of draft specific exclusion criteria for hot spot Ko7.

Tatiana Tiupenko presented what has been done in Komi regarding waste management (Ko6). No specific exclusion criteria have been drafted for Ko6 yet. A group of Tatiana Tiupenko, Hans Borchsenius and Mikhail Kolegov will meet in Syktyvkar to discuss and develop draft hot spot specific exclusion criteria for Hot spot Ko6 and Ko7 in October. The Deputy Minister for Industry and Transport Mr. Alexander Gibezh is also expected to take part in the discussions on exclusion criteria. His ministry is the responsible authority for wood waste in Komi. The developed draft criteria will be sent to SHE.

16. New colour in the hot spot exclusion process

Åke Mikaelsson and Maria Dianova presented the system for the additional colour (orange) to visualize due progress through the hot spot exclusion procedure and highlighting the transition from the Steps 1-2 into Steps 3-5, manifested by a switch from red to orange .

Sweden and Russia will prepare a proposal on which hot spots may be given the colour Orange in the hot spot information system, before the next SHE meeting.

A decision will be needed by SHE on which hot spots will go “full track”. A letter will be sent to the HEGs to inform about the decision, when relevant. It was agreed that Maria Dronova with assistance from Åke Mikaelsson elaborate a standard for this process.

17. HEG meeting in Murmansk

Maria Dronova informed about dialogue with the regional authorities in Murmansk and that a HEG meeting can be organized in Murmansk in February/March 2017.

18. Summary of Next Steps and Distribution of Tasks

Task	<i>Responsible</i>	<i>Deadline</i>
Circulate draft Minutes from SHE#50	Hanne	asap
A report will be made from the BAT seminar in Arkhangelsk 26-28 September and circulated to the SHE group	Åke	1 month
The draft report from CFC centre in Moscow on review of 2010 report on CP and BAT will be sent to Hanne for distributing to the SHE group for comments.	Yan Tsygankov	asap

Task	<i><u>Responsible</u></i>	<i><u>Deadline</u></i>
Comments should be provided to Yan Tsygankov on circulated report on CP and hot spots	All	October 10
SHE will consider how to contribute to the Climate Change Action Plan of the Barents region and give feedback to WGE chair	SHE co-chairs	Late October
A reviewed draft of the Template for hot spots exclusion criteria will be circulated to SHE for comments	Hanne	asap
Comments on the Template for hot spots exclusion criteria	All	2 Weeks
A4 Novodvinsk PPM: Olaug will try to use the seminar in Arkhangelsk (26-28 Sept) to be able to clarify some misunderstandings regarding hot spot A4, in the margins of the meeting. Then report back to the TEC	Olaug	October 14
Update the A4 TEC review and send to SHE group	Nordic experts (SE co-ordinates)	(1 month?)
Ko2-1 Vorkuta Cement Plant: The experts will finalize TEC review with recommendations to SHE	Nordic experts (SE co-ordinates)	21 October (1 month)
Ko1 Vorkuta coal field: A Task Force will sum up the information on Ko1 and indicate ways forward to the SHE group.	Henrik G Forsström, Olaug Bjertnæs, Mikhail Kolegov	Before SHE#51 meeting
Ko6 and Ko7: Proposals for specific exclusion criteria will be developed for hot spots Ko6 and Ko7 and sent to SHE co-chairs for distribution to SHE.	Tatiana Tiupenko/ Mikhail Kolegov/ Hans Borchsenius	Mid October
SE-RU proposal for which HS may be given orange colour. Proposal for SHE decision	Åke/Maria Dianova	October 14
Meeting in Murmansk, HEG, Feb/March 2017. Invitation and further information	Maria Dronova	
Invitation to SHE#51 meeting	SHE co-chairs will invite	

19. Any Other Business

No AOB

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20. Date and Topics for Next Meeting

A HEG meeting will be organized in Murmansk in February/March 2017. It takes 2 months to develop agenda + invitations. SHE will have its next meeting before this or back-to-back. If needed, SHE will also have a telephone meeting before this.

21. Closure of the Meeting

The meeting was closed at 17.00