

Environment Agency

Review of an Environmental Permit under the Environmental Permitting (England & Wales) Regulations 2010 (as amended)

Decision document recording our decision-making process following review of a permit

The Permit number is: EPR/BK1732IQ
The Operator is: Npower Cogen (Hythe) Limited
The Installation is: Hythe Cogen
This Variation Notice number is: EPR/BK1732IQ/V006

What this document is about

All Environmental permits which permit the operation of large combustion plant (LCP), as defined by articles 28 and 29 of the Industrial Emissions Directive (IED), need to be varied to implement the special provisions for LCP given in the IED, by the 1 January 2016 (Article 82(3)). The IED makes special provisions for LCP under Chapter III, introducing new Emission Limit Values (ELVs) applicable to LCP, referred to in Article 30(2) and set out in Annex V.

The IED provides a period of transition towards the new ELVs via Article 32, the Transitional National Plan (TNP). It also makes provision for plant that wish to be exempted from compliance with the new ELVs in Article 33, the Limited Life Derogation (LLD). Other derogations include limited operating hour regimes for sites using 500 hr or 1500 hr derogations. There are also options for exemption from emission limits based on operating hours.

The operator has submitted responses to our notice requiring information, issued under regulation 60(1) of the Environmental Permitting Regulations (EPR), which has provided us with information on which compliance route they wish to follow for each LCP. The responses also includes specific details relating to each LCP, necessary for accurate implementation the IED requirements. A copy of the regulation 60 notice and the operator's response is available on the public register.

We have reviewed the permit for this installation, including all variations since the last permit consolidation, and referred to the operator's responses to the regulation 60 notice requiring information. This is our decision document,

which explains the reasoning for the consolidated variation notice that we have issued.

It explains how we have reviewed and considered the compliance routes and, where relevant, the emissions limits proposed by the Operator for each LCP on the installation. This review has been undertaken with reference to the:

- Chapter III and annex V of the IED
- “IED BAT ESI Review Paper, 28 October 2014” produced by the Environment Agency (referred to as the “2014 ESI BAT review paper” in this document)
- “Electricity Supply Industry – IED compliance protocol for Utility Boilers and Gas Turbines”, published by the Joint Environmental Programme.

It is our record of our decision-making process and shows how we have taken into account all relevant factors in reaching our position

As well as implementing the chapter III IED compliance of the installation, the consolidated variation notice takes into account and brings together in a single document all previous variations that relate to the original permit issue. It also modernises the entire permit to reflect the conditions contained in our current generic permit template.

The introduction of new template conditions makes the Permit consistent with our current general approach and philosophy and with other permits issued to installations in this sector. Although the wording of some conditions has changed, while others have been deleted because of the new regulatory approach, it does not reduce the level of environmental protection achieved by the Permit in any way. In this document we therefore address only our determination of substantive issues relating to chapter III review.

How this document is structured

Glossary

1. Our decision
2. How we reached our decision
3. The legal framework
4. Key Issues

GLOSSARY

Baseload	means: (i) as a mode of operation, operating for >4000hrs per annum; and (ii) as a load, the maximum load under ISO conditions that can be sustained continuously, i.e. maximum continuous rating
BAT	best available techniques
BREF	best available techniques reference document
CCGT	combined cycle gas turbine
Derogation	as set out in Article 15(4) of the IED
Emergency use	<500 operating hours per annum
ELV	emission limit value set out in either IED or LCPD
GT	gas turbine
IED	Industrial Emissions Directive 2010/75/EC
LCP	large combustion plant – combustion plant subject to Chapter III of IED
LCPD	Large Combustion Plant Directive 2001/80/EC
MCR	Maximum Continuous Rating
Mid merit	1500-4000 operating hours per annum
MSUL/MSDL	Minimum start up load/minimum shut-down load
OCGT	Open Cycle Gas Turbine
Peaking	500-1500 operating hours per annum
Part load operation	operation during a 24 hr period that includes loads between MSUL/MSDL and maximum continuous rating (MCR)
TNP	Transitional National Plan

1 Our decision

We have decided to issue the Variation Notice to the Operator. This will allow it to continue to operate the Installation, subject to the conditions in the Consolidated Variation Notice

We consider that, in reaching that decision, we have taken into account all relevant considerations and legal requirements and that the varied permit will ensure that a high level of protection is provided for the environment and human health.

The Consolidated Variation Notice contains many conditions that concern the operation of the non-LCP part of the installation taken from our standard Environmental Permit template including the relevant annexes. We developed these conditions in consultation with industry, having regard to the legal requirements of the Environmental Permitting Regulations and other relevant legislation. This document does not therefore include an explanation for these standard conditions. Where they are included in the Notice, we have considered the techniques identified by the operator for the operation of their installation, and have accepted that the details are sufficient and satisfactory to make those standard conditions appropriate. This document does, however, provide an explanation of our use of “tailor-made” or installation-specific conditions, or where our Permit template provides two or more options.

2 How we reached our decision

2.1 Requesting information relating to the requirements of Chapter III of and Annex V to the IED

We issued a Notice under Regulation 60(1) of the Environmental Permitting (England and Wales) Regulations 2010 (a Regulation 60 Notice) on 18/11/14 requiring the Operator to provide information for each LCP they operate, including:

- The type of plant, size and configuration.
- The proposed compliance route(s).
- Minimum start up and shut down loads.
- The proposed emission limits and how they accord with the 2014 BAT review paper.
- For gas turbines, proposed emission limits for each unit between the MSUL/MSDL and 70% load, with a justification.
- Any request to move from continuous to 6 monthly monitoring, or to derogate from 6 monthly monitoring, with a justification.

The Regulation 60 Notice response from the Operator was received on 09/04/15.

We considered it was in the correct form and contained sufficient information for us to begin our determination of the permit review [but not that it necessarily contained all the information we would need to complete that determination].

The Operator made no claim for commercial confidentiality. We have not received any information in relation to the Regulation 60 Notice response that appears to be confidential in relation to any party.

2.2 Requests for Further Information during determination

Although we were able to consider the Regulation 60 Notice response generally satisfactory at receipt, we did in fact need more information in order to complete our permit review assessment, and issued (a) further information request on 30/06/15. A copy of the further information request was placed on our public register.

In addition to the response to our further information request(s), we received additional information during the determination from RWE on the 30/06/2015

and 03/12/2015. We made a copy of this information available to the public in the same way as the response(s) to our information request(s).

2.3 Alternative compliance routes

In their Regulation 60 Notice response, the operator initially requested multiple compliance routes be considered for their LCP because at that point they had not decided which route they wanted to apply. The routes requested were: LCP269 – ELV and TNP with <500 hr OCGT
LCP 268- ELV and TNP

We were only able to issue the variation notice for single compliance routes per LCP (other than TNP which can apply by pollutant), and the operator confirmed which route(s) they wanted in the variation notice by email dated 21/12/15. The confirmed routes were:

LCP 269 TNP

LCP 268 TNP

This is what is considered in this decision document.

3 The legal framework

The Consolidated Variation Notice will be issued under Regulations 18 and 20 of the EPR. The Environmental Permitting regime is a legal vehicle which delivers most of the relevant legal requirements for activities falling within its scope. In particular, the regulated facility is:

- an *installation* as described by the IED;
- subject to aspects of other relevant legislation which also have to be addressed.

We consider that, in issuing the Consolidated Variation Notice, it will ensure that the operation of the Installation complies with all relevant legal requirements and that a high level of protection will be delivered for the environment and human health.

We explain how we have addressed specific statutory requirements more fully in the rest of this document.

Meeting the requirements of the IED

The table below shows how each requirement of the IED has been addressed by the permit conditions.

IED Article Reference	IED requirement	Permit condition
30(6)	If there is an interruption in the supply of gas, an alternative fuel may be used and the permit emission limits deferred for a period of up to 10 days, except where there is an overriding need to maintain energy supplies. The EA shall be notified immediately.	N/A
32(4)	For installations that have applied to derogate from the IED Annex V emission limits by means of the transitional national plan, the monitoring and reporting requirements set by UK Government shall be complied with.	3.1 Schedule 3, Table S3.4 for TNP Or N/A fro ELV
33(1)b	For installations that have applied to derogate from the IED Annex V emission limits by means of the Limited Life Derogation, the operator shall submit annually a record of the number of operating hours since 1 January 2016;	N/A
37	Provisions for malfunction and breakdown of abatement equipment including notifying the EA.	N/A
38	Monitoring of air emissions in accordance with Ann V Pt 3	3.5, 3.6
40	Multi-fuel firing	N/A
41(a)	Determination of start-up and shut-down periods	2.3.6 Schedule 1 Table S1.5
Ann V Pt 1(1)	All emission limit values shall be calculated at a temperature of 273,15 K, a pressure of 101,3 kPa and after correction for the water vapour content of the waste gases and at a standardised O2 content of 6 % for solid fuels, 3 % for combustion plants, other than gas turbines and gas engines using liquid and gaseous fuels and 15 % for gas turbines and gas engines.	Schedule 6, Interpretation
Ann V Pt 1	Emission limit values	3.1.2 Schedule 3, Table S3.1
Ann V Pt 1	For plants operating less than 500 hours per year, record the used operating hours	2.3.5, , 4.2.2e
Ann V Pt 1(6(1))	Definition of natural gas	Schedule 6, Interpretation
Ann V Pt 2	Emission limit values	3.1.2 Schedule 3, Table S3.1
AnnV Pt 3(1)	Continuous monitoring for >100MWth for specified substances	3.5, 3.6 Schedule 3, Table S3.1
AnnV Pt 3(2, 3, 5)	Monitoring derogations	3.5.1 Schedule 3, Table S3.1

IED Article Reference	IED requirement	Permit condition
AnnV Pt3(4)	Measurement of total mercury	N/A
AnnV Pt3(6)	EA informed of significant changes in fuel type or in mode of operation so can check Pt3 (1-4) still apply	2.3.1 Schedule 1, Table S1.2
AnnV Pt3(7)	Monitoring requirements	3.5.1 Schedule 3, Table S3.1
AnnV Part 3(8,9,10)	Monitoring methods	3.5, 3.6
AnnV Pt 4	Monthly, daily, 95%ile hourly emission limit value compliance	3.5.1 Schedule 3, Table S3.1
AnnV Pt7	Refinery multi-fuel firing SO ₂ derogation	N/A

4. Key Issues

The site is primarily a CHP to provide steam for local industry. The industry has closed removing the need to generate steam at present. The site has installed a bypass stack to allow the gas engine to be used as a <500 hrs emergency plant and mothballed the rest of the CHP plant and the stand alone boilers until such time that a new steam customer can be found.

Unless the decision document specifies otherwise we have accepted the applicant's proposals.

Where relevant and appropriate, we have incorporated the techniques described by the Operator in their Regulation 60 Notice response as specific operating techniques required by the permit, through their inclusion in Table S1.2 of the Consolidated Variation Notice.

The variation notice uses an updated LCP numbers in accordance with the most recent DEFRA LCP reference numbers. The LCP references have changed as follows:

- **LCP 365 is changed to LCP 269**
- **LCP 268 is the number given to the boilers as they were included under 365 but are and LCP in their own right.**

LCP 269

This LCP consists of a CCGT with a net rated thermal input of 133MWth which operates as a CHP plant venting through a single flue at A1 or, when in bypass mode, as an OCGT venting through a separate bypass flue, A3. The unit burns natural gas.

LCP 268

This LCP consists of 4x 20.75MW boilers equalling 83MW venting through a single windshield at point A2

Compliance Route:

The operator has proposed to operate LCP 269 under the TNP or ELV compliance route when in CHP mode and <500hrs when in OCGT mode. The operator has proposed to operate LCP 268 under the TNP or ELV compliance route..

For plant operating under the TNP, ELVs are set which have been derived for the period 2016 – 30 June 2020 (the duration of the TNP). At the end of this period it is expected that both Annex V and the revised LCP BREF will become applicable, in which case Annex V or the BAT conclusions must be achieved (whichever is stricter), or operators must have applied for a derogation from the BAT conclusion (if that is stricter: Annex V will apply in

any event. The operator will apply, at the appropriate time, to vary the permit again to reflect this.

Net Rated Thermal Input:

The Applicant has stated that the Net Thermal Input for LPC 269 is 133MWth. They have justified this figure by performance test reference: 50963745-TOS/TCM 09-6708 carried out by KEMA on 19th May 2009 and from heat balances carried out internally by RWE

The Applicant has stated that the Net Thermal Input for LPC 268 is 83MWth. They have justified this figure from the Manufacturer’s technical data

Minimum start up load and Minimum shut-down load:

LCP369

The Operator has defined the “minimum start up load” and “minimum shut-down load” for the LCP in their response to question 6 of the Reg 60, in terms of 34.5MW output load, and 75% of the rated electrical output when running in CHP mode and 5MW output load and 10.8% of the rated electrical output when running in OCGT mode

The output load and percentage of the rated output is based on the rated electrical output from just the gas turbine.

For LCP 268 three criteria have been identified that suit the technical characteristics of the plant, which can be met at the end of start-up or start of shut-down However these are dependent on the needs of any new steam customer. A pre-operational condition has therefore been included requiring the specifics of the parameters to be identified before the boilers are re-commissioned after mothballing.

We agree with all of these definitions and have set these thresholds in table S1.5 of the permit accordingly. Standard permit condition 2.3.6 has been set to define the period of start up and shut down, referring to the thresholds in this table.

Emission limits:

For LCP 269 COP mode the operator has proposed limits in line with annex V of the IED and the 2014 BAT review paper. Consequently we have accepted the proposed limits and incorporated them into table 3.1x of the permit for the ELV option. The ELV’s for the TNP option reflect the current limits.

ELV CHP LCP 269	CO			NOX			
	Hourly	Daily	Monthly	Hourly	Daily	Monthly	
now		50			60		

Annex 5	200	110	100	100	55	50	
Proposed.	100	50	50	100	55	50	
TNP							
now		50			60		
TNP	100	50	50	120	60	60	

As the MSUL is 75% no additional ELV's will be set

For LCP 268 (the boilers) the operator has proposed limits in line with annex V of the IED and the 2014 BAT review paper. Consequently we have accepted the proposed limits and incorporated them into table 3.1x of the permit for the ELV option. The ELV's for the TNP option reflect the current limits.

Boiler- 6 monthly LCP 268	CO	NOx
Now	60	140
ELV	110	110
Proposed	60	110
TNP	60	140

The above 70% criteria for Annex 5 only applies to gas turbines, therefore the boiler limits will apply from MSUL.

Gas fired plant:

Sulphur dioxide emissions from natural gas firing of gas turbines and boilers will be reported as six monthly concentrations on the basis of the fuel sulphur content without continuous or periodic monitoring since only trace quantities of sulphur are present in UK natural gas. Dust emissions for natural gas fired boilers will, likewise, be reported on the basis of emission factors without continuous or periodic monitoring. For gas turbines we have not required any reporting as the dust emissions will always be reported as zero. This is because natural gas is an ash-free fuel and high efficiency combustion in the gas turbine does not generate additional particulate matter. The fuel gas is always filtered and, in the case of gas turbines, the inlet air is also filtered resulting in a lower dust concentration in the flue than in the surrounding air.

The IED Annex V ELVs for oxides of nitrogen and carbon monoxide apply to OCGTs, CCGTs and mechanical drive gas turbines when the load is >70%.

This has been interpreted as 70% of the rated output load. The rated output load used here is the same as that used for calculating the percentage load when specifying the end of start-up and beginning of shut-down.

Energy efficiency:

As the primary operation of eth plant is a CHP an improvement condition was added when the variation to allow it to run in OCGT mode was added requiring a 2yearly review of option to allow the plant to move back into CHP mode. This has been kept.

Reporting efficiency:

In order to ensure the efficiency of plant using fossil fuels or biomass is maximised and regularly recorded, condition 1.2.1(c), condition 4.2.2(b) and table S4.2 have been added to the permit.

Monitoring & standards:

Standards for assessment of the monitoring location and for measurement of oxygen, water vapour, temperature and pressure have been added to the permit template for clarity.

A row has been included in table S3.1 which requires the operator to confirm compliance with BS EN 15259 in respect of monitoring location and stack gas velocity profile in the event there is a significant operational change (such as a change of fuel type) to the LCP. [For a new plant in pre-operational commissioning the same requirement applies.]

Resource efficiency metrics:

A more comprehensive suite of reporting metrics has been added to the permit template for ESI plant. Table S4.2 "Resource Efficiency Metrics" has been added requiring the reporting of various resource parameters, as this is an Electrical Supply Industry (ESI) power plant. This table is being used for all ESI plant.

Additional IED Chapter II requirements:

Condition 3.1.6 relating to protection of soil, groundwater and groundwater monitoring, has been added in compliance with IED requirements.

Conditions 4.3.1 and 4.3.2 relating to notifications have been amended in compliance with IED requirements.