

Richard Vincent,
Head of Industrial Pollution Control,
DEFRA, Area 5F,
Ergon House, 17 Smith Square,
London, SW1P 3JR

30th April 2012

Dear Richard,

Industrial Emissions Directive – Large Combustion Plants – Transitional National Plan – Application for Inclusion of Plants

We refer to your letter to operators dated 28 December 2011. This reply is made on the basis of the terms and conditions applying to the UK Transitional National Plan, as set out in that letter.

Plants to be Included

We are writing to confirm that at this time we would like the following large combustion plants to be included in the UK Transitional National Plan, for the pollutants specified for each:-

- West Burton A Power Station LCP 1 (Units 1 & 2), Nottinghamshire is to be included in the Transitional National Plan for nitrogen oxides, sulphur dioxide and dust.
- West Burton A Power Station LCP 2 (Units 3 & 4), Nottinghamshire is to be included in the Transitional National Plan for nitrogen oxides, sulphur dioxide and dust.
- Cottam Power Station LCP 1 (Units 1 – 4), Nottinghamshire is to be included in the Transitional National Plan for nitrogen oxides, sulphur dioxide and dust.

Compliance Measures Foreseen

For the above three large combustion plants, we currently foresee that the measures to comply with the Industrial Emissions Directive emission limit values that will apply from 1 July 2020 will comprise a combination of the following two options:-

- Compliance with the Emission Limit Values that apply under Annex V, through the application of the necessary pollution abatement techniques,
- Compliance with the Emission Limit Values that apply under the 1500 operating hours derogation specified in Annex V, through the application of the necessary pollution abatement techniques.

The balance between the two options will be determined by further analysis in the next two years. The compliance route and measures foreseen may be subject to review and amendment, as set out in more detail in the notes below.

Calculation of Transitional National Plan Annual Emission Limits for Plants to be included

For each of the Large Combustion Plants to be included in the Transitional National Plan, the applicable Annual Emission Limits and supporting calculations are set out in the attached TNP workbook, which has been accepted by Government without prejudice to the conduct of such final checks of the calculations as may be necessary during the compilation of the draft UK TNP or in responding to European Commission comments on the plan after it is submitted.

Review of Options for Compliance with the Industrial Emissions Directive and Possible Future Amendments to Measures Foreseen

This declaration is made subject to future reviews by us of the appropriate compliance option for the plants under the Industrial Emissions Directive.

These reviews will be necessary because of a high level of uncertainty on the future operation and investment in the plants, due to factors including:-

- The outcome of the current LCP BREF review, which will set BAT for all Large Combustion Plants (LCPs) and will not be finalised until 2015.
- The outcome of the reviews of the Gothenburg Protocol and National Emissions Ceilings Directive for 2020 national ceilings and the ensuing implications for LCPs.
- The outcome of the UK Electricity Market Reform currently in progress and the impact on the future UK electricity market.
- The carbon price in future years.
- The effect of increasing levels of intermittent renewable generation on national generation capacity requirements.

All these factors could have a profound impact on the future operation and investment in electricity generating LCPs. The outcome of each is uncertain.

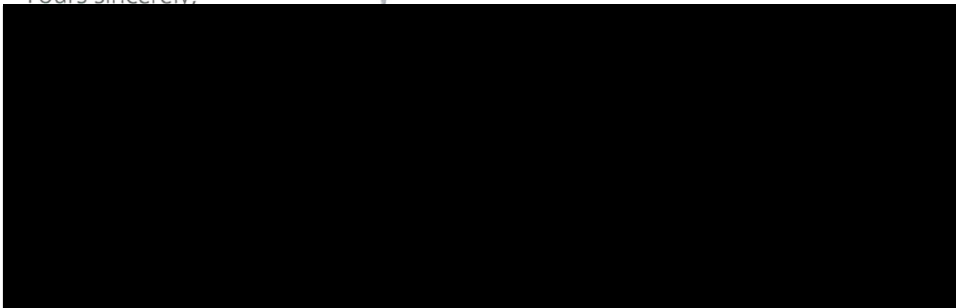
Future LCP operation will take place in the wider context of a decarbonisation of the electricity sector and EDF Energy supports this. Existing LCPs will play a key role in ensuring security of supply at an affordable price during the transition to new low carbon generation in the early 2020s. Because of current uncertainty over the exact transition pathway, it is important that LCP operators evaluate their options carefully, to ensure that the transition can be delivered in the most cost effective manner, minimising impacts on consumers.

As a result, it will be essential that we review our plans for the operation of our plants post 2015 on a regular basis and update them as necessary in the light of changes to regulatory and commercial circumstances.

Consequently, and in accordance with the points of note set out in your letter of 28 December 2011, we reserve the right:-

- to alter both the measures foreseen and the compliance route on exit from the Transitional National Plan;
- to bring forward a plant exit from the Transitional National Plan, prior to 30 June 2020;
- to exit the Transitional National Plan and place plants in the Limited Life Derogation under Article 33 of the Industrial Emissions Directive, prior to the specified deadline for decisions on this derogation of 1 January 2014.
- to propose further plants for inclusion in the Transitional National Plan.

Yours sincerely,

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