

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/FP3132UE
The Operator is: Palm Paper Limited
The Installation is: Saddlebow Paper Mill
This Variation Notice number is: EPR/FP3132UE/V008

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 notices 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 the existing package boilers LCP. The responses also include 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.

The permit also includes an LCP (a gas turbine) that was added to the permit through the previous variation EPR/FP3132UE/V007 after the Regulation 60 notice was issued and responded to. The LCP conditions introduced to the permit through this variation will also apply to the new LCP.

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 notices 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:

- Chapter III and annex V of the IED
- “IED BAT Non-ESI Review Paper, 28 October 2014” produced by the Environment Agency (referred to as the “2014 Non-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 the 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
LLD	Limited Life Derogation
MCR	Maximum Continuous Rating
Mid merit	1500-4000 operating hours per annum
MSUL/MSDL	Minimum start up load/minimum shut-down load
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)

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 several 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 08/12/14 requiring the Operator to provide information for the package boilers LCP they operated, including:

- The type of plant, size and configuration.
- The proposed compliance route for the existing package boilers
- Minimum start up and shut down loads.
- The proposed emission limits and how they accord with the 2014 BAT review paper.

The Regulation 60 Notice response from the Operator was received on 20/10/15.

We considered that the response did not contain sufficient information for us to commence determination of the permit review. We therefore issued a further information request to the Operator. Suitable further information was provided by the Operator on 27/10/15.

We considered it was in the correct form and contained sufficient information for us to begin our determination of the permit review.

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.

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.	Not applicable (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.	n/a
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
72b	For combustion plants which do not operate more than 1500 operating hours per year as a rolling average over a period of 5 years, the number of operating hours per year.	n/a
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 O ₂ 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	n/a
Ann V Pt 1(6(1))	Definition of natural gas	Schedule 6, Interpretation
Ann V Pt 2	Emission limit values	n/a

IED Article Reference	IED requirement	Permit condition
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	n/a
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 SO2 derogation	n/a

4. Key Issues

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 updated LCP numbers in accordance with the most recent DEFRA LCP reference numbers. The LCP reference for the package boilers has changed as follows:

- **LCP230** is changed to **LCP257**

The Combined Cycle Gas Turbine (CCGT) which is not yet built and therefore did not have an existing LCP reference number. It has been allocated reference number **LCP422**.

LCP422: Combined Cycle Gas Turbine

This LCP consists of one CCGT which vents at emission point A5. The unit burns natural gas.

The CCGT was not in operation when the Regulation 60 notices were issued to Palm Paper and therefore the operating efficiency and / or minimum start up and minimum shut-down load will need to be defined when the plant is operational.

The ELVs for the LCP422 apply when the load is >70% throughout the reference period. The Operator will be required to confirm whether the LCP does operate at <70% ISO base load once the gas turbine is operating. If so we will subsequently set daily ELVs from MSUL/MSDL to ISO base load.

An improvement condition is included in the permit requiring the following:

The Operator shall submit a report in writing to the Environment Agency for acceptance. The report shall define and provide a written justification of the "minimum start up load" and "minimum shut-down load", for LCP422 (gas turbine LCP unit 1) as required by the Implementing Decision 2012/249/EU in terms of:

- i. The output load (i.e. electricity, heat or power generated) (MW); and
- ii. This output load as a percentage of the rated thermal output of the combustion plant (%).

And / Or

At least three criteria (operational parameters and / or discrete processes as detailed in the Annex) or equivalent operational parameters that suit the

technical characteristics of the plant, which can be met at the end of start-up or start of shut-down as detailed in Article (9) 2012/249/EU.

This improvement condition is due to be complete 1 month after commissioning of the CCGT.

Compliance Route:

The operator has proposed to operate this LCP under the ELV compliance route.

We have referred to the improvement condition requiring the determination of these thresholds in table S1.5 of the permit. 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:

The operator proposed limits in line with annex V of the IED and the 2014 BAT review paper. Consequently we accepted the proposed limits and incorporated them into table 3.1 of the permit via the previous variation EPR/FP3132UE/V007.

Pollutant	Reference Period	Annex V mg/m³	Existing permit limit mg/m³
Oxides of Nitrogen (NO and NO ₂ expressed as NO ₂)	Monthly mean of validated hourly averages	50 mg/m ³	50 mg/m ³ 70% to base load
Carbon monoxide	Monthly mean of validated hourly averages	100 mg/m ³	100 mg/m ³ 70% to base load

Sulphur dioxide emissions from natural gas firing will be reported 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.

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.

LCP257: Gas fuelled package boilers

This LCP consists of 2 x 36 MWth package boilers which vent via multiple flues within a single windshield at emission point A3. The units burn natural gas and gas oil as a standby fuel.

Compliance Route:

The operator has proposed to operate this LCP under the ELV compliance route.

Net Rated Thermal Input:

The Applicant has stated that the Net Thermal Input is 72MWth. They have justified this figure by providing commissioning reports for the boilers dated 22/07/15 and 23/07/15. The data from the burner net rated thermal input was derived from the data sheets and from the manufacturers plates attached to each unit.

Minimum start up load and Minimum shut-down load:

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:

- the output load in MW (i.e. electricity, heat or power generated);
- this output load as a percentage of the rated output of the combustion plant (%); and
- the output load in steam as one of three criteria that suit the technical characteristics of the plant,

which can be met at the end of start-up or start of shut-down.

The output load and percentage of the rated output is based on the rated thermal output from the boilers.

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:

The operator has proposed new NO₂ limits for operation on natural gas 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 S3.1 of the permit. The existing limit for carbon monoxide already met the limit specified in Annex V and therefore it has remained as 30 mg/m³.

Existing mg/m ³	Reference Period	Annex V mg/m ³	New Permit limit mg/m ³
LCP 257 fuelled on natural gas			
Nitrogen dioxide (NO ₂) 300 mg/m ³	95%ile of hourly averages	110 mg/m ³ MSUL/MSDL to base load	110 mg/m ³
Carbon monoxide 30 mg/m ³	1 hour sampling period	30 mg/m ³ MSUL/MSDL to base load	30 mg/m ³

The emission limit values for the operation of LCP257 on standby fuel oil were more stringent in the existing permit than those specified in IED and therefore the limits have not been amended. The limit remains at 400 mg/m³ as a six monthly limit.

Standby fuels:

The operator normally uses gas fuel and has applied to use gasoil as a standby fuel. Since it is BAT to use the cleaner gas fuel, gasoil use is limited to 500 hours per year.

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.