



Standard rules consultation no. 17: medium combustion plant and specific generator controls

Standard rules for the Environmental Permitting Regulations May 2018 We are the Environment Agency. We protect and improve the environment.

Acting to reduce the impacts of a changing climate on people and wildlife is at the heart of everything we do.

We reduce the risks to people, properties and businesses from flooding and coastal erosion.

We protect and improve the quality of water, making sure there is enough for people, businesses, agriculture and the environment. Our work helps to ensure people can enjoy the water environment through angling and navigation.

We look after land quality, promote sustainable land management and help protect and enhance wildlife habitats. And we work closely with businesses to help them comply with environmental regulations.

We can't do this alone. We work with government, local councils, businesses, civil society groups and communities to make our environment a better place for people and wildlife.

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Introduction

The Environmental Permitting (England and Wales) Regulations 2016 allow us to make standard rules to reduce the administrative burden on business while maintaining environmental standards.

The rules take considerable time and resources to develop but once in place they make applying and determining the applications more straight forward.

This is the seventeenth consultation on sets of standard rules. This consultation proposes new standard rules to cover medium combustion plant and specified generators. The Medium Combustion Plant Directive (MCPD) and Specified Generators provides cost efficient emission controls on new and existing plant and is being introduced into Regulation in England and Wales and regulated under an environmental permit. The proposed use of standard rules is a proportionate approach to environmental permitting of this activity. We would like your views on whether to allow a single standard permit issued to an operator to cover a number of locations for the new medium combustion plant (MCP) standard rule sets.

We have also set out the proposed applicable charges for the rules. The proposed charges have been selected from the Application table, Subsistence table and default standard rules charging table in the EPR charging scheme. The selected charges aim to precisely recover the regulatory costs incurred by the EA as a result of the applications and subsistence of these permits.

We will take account of the consultation responses and publish the consultation response together with the new standard rules and risk assessments (if any) on GOV.UK. This will also have details of the application process for the new standard permit.

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1. About this consultation

This document describes:

- what we are consulting on
- provides an overview of the relevant documents
- the standard permitting process

It is designed to help you understand and comment on our proposals. The consultation will be for a period of 6 weeks rather than the normal 12 weeks for standard rules. This is because government has already held a public <u>consultation</u> on plans to implement the Medium Combustion Plant Directive (MCPD) and emission controls on generators to improve air quality. This included the standards and controls required which have been included in our proposed standard rules. Therefore we are only consulting on the use of standard rules for permitting of these activities, the scope of the rules after which a bespoke permit would be required, and the applicable charges.

1.1. What we are consulting on

The Environmental Permitting (England and Wales) Regulations 2016 (EPR) allow us to develop standard rules for certain activities. We base the rules on our understanding of the risks. We are asking for your views on whether the use of new standard rules are appropriate for the environmental permitting of medium combustion plants and specified generators. We are not consulting on the measures introduced by SI2018 No. 110 The Environmental Permitting (England and Wales) (Amendment) Regulations 2018. Standard rules permits under EPR have the facility to allow an individual operator to be permitted for a number of MCPs at different locations under a single permit – we would welcome your views on the use of a single standard permit issued to a specific operator for a number of MCPs at different locations.

The consultation is about the following:

Standard rule sets (see Section 3 for more information)

This consists of all the rules necessary to ensure that the risks to the environment and human health are reduced to an acceptable level for these activities. Monitoring programme requirements can be found in our draft guidance note M5.

Generic risk assessments

We have provided new and revised generic risk assessments for the rules. The new risk assessments relate only to emissions to air.

Applicable charges

1.2. What this consultation means to you

We think that this consultation will be of particular interest to:

Operators, trade associations and businesses: this is your opportunity to ensure that the rules and generic risk assessment work for you and your industry but also provide the necessary protection to the environment and human health. We would like any suggestions you may have for future sets of rules for activities that might result in a number of permit applications.

Other regulators, the public, community groups and non-governmental organisations with an interest in environmental issues: this is your opportunity to ensure that the rules and risk assessment work to provide the necessary protection to the environment and human health, whilst still being useful to industry.

2. How standard permits work

2.1. What a standard permit is

Standard permits contain one condition which refers to a fixed set (or sets) of standard rules that an operator must comply with. The standard rules define the activities that an operator can carry out and specify necessary restrictions on those activities, such as emission limits or the types of waste or raw materials that can be accepted at the sites. Standard rules are published on GOV.UK following public consultation.

Any operator who wishes to carry out a particular activity at a particular site or sites can look at the standard rules and if they can comply with them, can decide to apply for a standard permit

We are able to issue the standard permit more quickly and cheaply because we have no decisions to make on site-specific permit conditions. An operator who cannot meet the requirements of the standard rules must apply for a bespoke permit and provide us with additional information. It takes us longer to issue a bespoke permit because we have to carry out a more detailed assessment of the application. This includes deciding whether to include site-specific conditions and consult in accordance with our public participation statement.

There is no right of appeal against the rules in a standard permit because applying for a standard permit is voluntary. If an operator wants to change the way any site operates so that it falls outside the scope of the standard rules or they feel that the standard permit no longer works for their particular operation, they must apply to vary to a bespoke permit.

Operators must apply for a bespoke permit for any regulated activities not covered by standard rules. These activities generally have a higher potential impact on the environment or require more complex controls than operations for which standard rules can be used.

Standard rules permits can only be granted where the regulated facilities have one single legal person as the operator. The term 'Operator' is defined in Regulation 7 of the Environmental Permitting Regulations as the person who has control over the operation of a regulated facility. If a regulated facility has not been put into operation, the person who will have control over it when it is in operation is the operator.

The central issue in deciding whether someone is the operator of a regulated facility is whether they are able to exercise control over its operation. The operator must demonstrate they have the authority and ability to ensure that the environmental permit is complied with.

2.2. What standard rules are

When developing sets of standard rules we carry out a single assessment of risk for a commonly undertaken activity. This enables us to define the risk boundary within which the rules can be used. This boundary comprises a number of restrictions such as size, location and operational controls. The restrictions will be those necessary to enable a consistent set of rules to reduce the risk to an acceptable level. The rules are the same for each operator carrying out that particular activity. Rules and risk assessments are published in advance so that operators and the public know precisely what controls we will apply to a proposed activity. In the case of the new medium combustion plant standard rule sets we have not provided a generic risk assessment. This is because the standards within the rule sets have already been imposed by the MCPD and are being implemented through the rules.

In developing the risk boundary for each set of standard rules, we have to protect the environmental quality of some specific sensitive receptors. For example, standard rules sets may contain a rule which prohibits activities taking place within an air quality management area (AQMA).

The rules include the Emission Limit Values and monitoring requirements set in Regulations together with some additional rules on the objectives that need to be achieved such as management of the MCP or generator. They specify what we want operators to achieve, but do not tell them how to achieve it. That is their responsibility.

3. Proposed sets of rules and risk assessment

We would like your views on these proposed standard rules sets:

3.1. SR2018 No 1 standard rules Specified Generator, Tranche B low risk, base load operation between 1 – 5 MW

These rules will allow the operator to operate one or more Tranche B Specified Generators which are natural gas fired engines or boilers which are CHPs. Individual unit capacity is between <1-5MW and the total is < 5.0 MW at the specified location which may be in rural and urban areas where background NO2 has sufficient headroom.

3.2. SR2018 No 2 standard rules Specified Generator, Tranche B low risk, base load operation 1 – 2 MW with high background NOx

These rules will allow the operator to operate one or more Tranche B Specified Generators which are natural gas fired engines or boilers which are CHPs. The individual unit capacity is between <1-2MW and the total is < 2.0 MW at the specified location which may be in urban areas where background NO2 is high.

3.3. SR2018 No 3 standard rules Specified Generator, Tranche B low risk, base load operation $1-2\,\text{MW}$ in Air Quality Management Areas or high ambient NOx

These rules will allow the operator to operate one or more Tranche B Specified Generators which are natural gas fired engines or boilers which are CHPs. The individual unit capacity is between <1-2MW and the total is < 2.0 MW at the specified location which may be in urban areas where background NO2 is high or in an Air Quality Management Area.

3.4. SR2018 No 4 standard rules Specified Generator, Tranche B low risk, 1-20 MW of abated diesel or gas engines operated less than 500 hours a year

These rules will allow the operator to operate one or more Tranche B Specified Generators operated for < 500 hours a year which are abated diesel or gas engines which may be providing a balancing service in the peaking market to the National Grid. Individual unit capacity is between <1-20MW and the total is < 20.0 MW at the specified location which is in rural and urban areas where the NO2 background has sufficient headroom.

3.5. SR2018 No 5 standard rules Specified Generator, Tranche B low risk, 1-20 MW of gas or abated diesel engines operated less than 1,500 hours a year

These rules will allow the operator to operate one or more Tranche B Specified Generators operated for < 1500 hours a year which are gas fired or abated diesel engines which may be providing a balancing service in the peaking market to the National Grid. Individual unit capacity is between <1-20MW and the total is < 20.0 MW at the specified location which is in rural and urban areas where the NO2 background has sufficient headroom.

3.6. SR2018 No 6 standard rules Specified Generator, Tranche B low risk, base load operation 1 – 1.2 MW with high background NOx

These rules will allow the operator to operate one or more Tranche B Specified Generators which are natural gas fired engines or boilers which are CHPs. The generator may be older and cannot meet new plant emission standards as represented by the MCPD. The individual unit capacity is between <1-1.2MW and the total is < 1.2 MW at the specified location which may be in urban areas where background NO2 is high.

3.7. SR2018 No 7 standard rules for new, low risk, stationary Medium Combustion Plant 1 < 20MW (in operation after 20/12/2018)

These rules will allow the operator to operate one or more new medium combustion plant (MCP) between 1 and < 20MW which were put in operation after 20/12/2018 at a specified location.

3.8. SR2018 No 8 mobile plant Specified Generator, Tranche B low risk, base load operation <1-2 MW

These rules will allow one Tranche B Specified Generator which is a diesel fired engine between <1-2MW. It may be deployed to a given location in rural and urban areas where background NO2 has sufficient headroom.

3.9. Standard rules SR2009 No 4 – Combustion of biogas in new Medium Combustion Plant engines at a sewage treatment works

These Standard Rules implement the Regulations for a new Medium Combustion Plant (MCP) and Tranche B Generator without secondary abatement for combustion of biogas at sewage treatment works. It is a revision of the existing standard rule set SR2009 No4. The main changes that have been made to take account of the new requirements are highlighted in yellow in the proposed rule set. Note: please contact the Environment Agency if you need a different format to see the changes.

These rules will allow for a new MCP to be included but does require any existing MCP that is a Tranche B generator to meet the relevant SO2 ELV early. If this should be a problem for compliance then please indicate this in response to Question 5 of our consultation questions in Section 4.

3.10. Standard rules for anaerobic digestion and use of biogas (SR2012 No 9, SR2012 No 10, SR2012 No 11 and SR2012 No 12)

These Standard Rules implement the Regulations for a new Medium Combustion Plant (MCP) and Tranche B Generator without secondary abatement for combustion of biogas at anaerobic digestion facilities. It is a revision of the following standard rule sets:

- SR2012 No 10: on-farm anaerobic digestion facility using farm wastes only, including use of the resultant biogas
- SR2012 No 12: anaerobic digestion facility including use of the resultant biogas (waste recovery operation)
- SR2012 No 9: on-farm anaerobic digestion using farm wastes
- SR2012 No 11: anaerobic digestion facility including use of the resultant biogas

3.11. Proposed charges

The propose charges for the new standard rules permits are:

SR2018 No 7 standard rules for new, low risk, stationary Medium Combustion Plant 1 < 20MW

- a transfer charge of £169
- a surrender charge of £125

Application and subsistence charges vary depending on the number of MCP's on one site as follows:

Number of MCPs	Application charge £	Subsistence charge £
1	446	194
up to 3	520	256
up to 5	620	342
up to 8	720	394
up to 10	779	520
up to 15	813	620

Specified generators standard rules SR2018 No 1, SR2018 No 2, SR2018 No 3, and SR2018 No 4, SR2018 No 5 and SR2018 No 6

- an application charge of £221
- · a transfer charge of £169
- a surrender charge of £125
- an annual subsistence charge of £246

SR2018 No 8 mobile plant specified generator

- an application charge of £221
- a transfer charge of £169
- a surrender charge of £125
- an annual subsistence charge of £273
- no charge for deployment

Charges for the revised standard rules for combustion of biogas at sewage treatment works (SR2009 No 4) and combustion of biogas from anaerobic digestion facilities (SR2012 No 9, SR2012 No 10, SR2012 No 11 and SR2012 No 12) remain the same.

3.12. Business impact

The Growth Duty requires us and other national regulators to have regard to the desirability of promoting economic growth, alongside our other statutory duties. As part of this duty we are carrying out an assessment of the financial impacts of this proposed new standard permit. You can help by responding to the questions we have included in Section 4 to determine these impacts and inform our decision making.

4. Consultation questions

This consultation is your opportunity to contribute towards the development of these standard rules. Once we have considered all the consultation responses, and made any changes, we hope to be able to publish the standard rules and risk assessment in July 2018.

We particularly want your feedback on the following questions:

The standard rules and risk assessment

Question 1: Do you agree with our approach to use standard rules to cover the new activities?

Question 2: Do you agree with the proposal to allow MCPs operated by a given operator situated at different locations to be covered by one standard permit?

Question 3: Do you understand the requirements of the proposed standard rules?

Question 4: Do you agree with the requirements of the proposed standard rules (not including any measures introduced by SI 2018 No. 110 The Environmental Permitting (England and Wales) (Amendment) Regulations 2018)?

Question 5: Are there any barriers to the use of the standard rules?

The business impact

Please provide time or costs estimates for the following activities. We accept these are your best estimates only. We will not publish the responses to questions 6 to 8 as part of this consultation.

Question 6: Typically, what job roles do your staff responsible for preparing permit applications and supporting Environment Agency compliance assessment activity for permitted sites (such as technical specialist, manager, senior official) have?

Question 7: Are you likely to incur any third party monetary costs to prepare a standard permit application (such as having to hire consultants, access external advice)? If so, please give an approximate estimate of this cost in £s.

Question 8: How many hours do you estimate it will take you to do both of the following:

a) prepare a standard permit application

b) provide support for an Environment Agency compliance assessment visit (that is, preparing for the visit, accompanying an Environment Agency officer and follow-up actions)?

General

Question 9: Please tell us if you have any other comments on these proposed rules that have not been covered by the previous questions (not including any measures introduced by SI 2018 No. 110 The Environmental Permitting (England and Wales) (Amendment) Regulations 2018).

5. Responding to this consultation

5.1. Important dates

This consultation will start on 4th May 2018 and run until 15th June 2018.

5.2. How to respond

You can view the consultation documents and questions online at:

 $\underline{\text{https://consult.environment-agency.gov.uk/environmental-permitting/standard-rules-consultation-no-17}\ .$

Here you can submit your response using our online tool which will enable you to manage your comments more effectively. It will also help us to gather and summarise responses quickly and accurately as well as reducing the costs of the consultation.

If you prefer to submit your response by email or letter, or if you would like to ask for a printed version of the document to be posted to you, please contact our National Customer Contact Centre on 03708 506 506 (Minicom, for the hard of hearing; 03702 422 549), Monday to Friday, 8am to 6pm, or email standard-rules@environment-agency.gov.uk.

If you would like to send your response by post, please send your completed response form by 15 June 2018 to:

Future Regulation - Permitting [Standard Rules Consultation no 17]

Environment Agency

Horizon House

Deanery Road

Bristol

BS15AH

5.3. How we will use your information

We will use your information to help shape these standard rules.

During the consultation we will publicise all comments (excluding personal information) on our website. This includes comments received online, by email, post and by fax, unless you have specifically requested that we keep your response confidential. We will not publish names of individuals who respond but we will publish the name of the organisations that respond.

If you respond online and provide an email address, your response will be automatically acknowledged. After the consultation has closed we will publish a summary of the responses on GOV.UK. We'll contact you to let you know when this is available. We will not respond individually to responses.

In line with the Freedom of Information Act 2000, we may be required to publish your response to this consultation, but will not include any personal information. If you have requested your response be kept confidential, you must tell us why.

5.4. Consultation principles

We are running this consultation in accordance with the guidance set out in the government's Consultation Principles.

If you have any queries or complaints about the way this consultation has been carried out, please contact:

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