



Standard rules consultation no19:
revision of standard rules sets for
medium combustion plant and
specified generators

Summary of consultation responses
and decisions

August 2019

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We help people and wildlife adapt to climate change and reduce its impacts, including flooding, drought, sea level rise and coastal erosion.

We improve the quality of our water, land and air by tackling pollution. We work with businesses to help them comply with environmental regulations. A healthy and diverse environment enhances people's lives and contributes to economic growth.

We can't do this alone. We work as part of the Defra group (Department for Environment, Food & Rural Affairs), with the rest of government, local councils, businesses, civil society groups and local communities to create a better place for people and wildlife.

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1. Introduction

The Environmental Permitting (England and Wales) Regulations 2016 (“EP Regulations”) allow us to offer standard permits. This reduces the administrative burden on business while maintaining environmental standards. They are based on sets of standard rules that we can apply widely. We develop the rules using assessments of the environmental risk posed by the activity.

This consultation ran from 29 April 2019 to 10 June 2019.

We asked if revisions to the rules for medium combustion plant and specified generators would be appropriate.

2. How we ran the consultation

We invited comments on our proposal from operators, trade associations and businesses, other regulators, the public, community groups and non-governmental organisations with an interest in environmental issues.

We ran an e-consultation and made hard copies available to those who requested them. This document summarises the responses to the consultation questions and any other key points consultees raised. It also provides the decisions we've made and the actions we'll take as a consequence.

3. Proposed revisions to rules for medium combustion plants and specified generators

3.1. Proposals we consulted on

In this consultation we proposed to change the standard rules sets SR2018 Nos 1 to 6 and SR2018 No 8 to cover specified generators that may also include new medium combustion plant. We wanted to make sure any customers who have already been issued a specified generator standard rules permit are not adversely affected by our proposals.

We also proposed to amend standard rules sets:

- SR2018 No 7 for new MCP - we plan to expand the number of scenarios within the rules
- SR2018 No 9 - to clarify when to submit emissions monitoring information

As a result we received comments from six respondents. Here is a summary of their comments and our responses.

3.2. Key findings and the actions we will take

Of the 6 respondents, 5 agreed with the proposed revisions and one objected to the proposal on the basis that the revisions should be broader to allow more activities to come under standard rules. We received a number of comments. Here are our responses.

We are satisfied that the proposed revisions to the rules are appropriate for these activities. We will amend and implement the revised rule sets and plan to publish them as soon as is practicable.

3.3. Responses to questions and our response to these

3.3.1. Financial impact of the standard rules permit (SRP)

3 respondents thought the new permitting regime associated with new medium combustion plants (MCP) and specified generators (SG) represented an increased financial burden on the operators of these plants.

Our response

For specified generators, the reason for the legislation is to improve local air quality. This could suffer if diesel fired specified generators operate without abatement. So operators may have to bear the cost of installing abatement to ensure compliance with the emission limit value (ELV) for oxides of nitrogen. There are substantial benefits to air quality by implementing the MCP/SG amendments through the Environmental Permitting Regulations 2018. You can see the government's own financial assessment of the effect of the regulations on operators:

<https://www.legislation.gov.uk/ukxi/2018/110/impacts>

Also the Environment Agency has set low application charges for MCP and SG standard rules permits. They are some of the lowest charges within the environmental permitting regime.

3.3.2. Scope of the standard rules permit

We intended to broaden the scope of SRP No 7 after we published it in 2018 and received feedback from customers. Doing so enables more operators to apply for it instead of having to apply for a bespoke application. The bespoke permit needs more work and has higher charges. While one response was supportive of our proposal, another thought the changes did not go far enough. Particularly in relation to the fuel types, number of operating hours and capacity of the plant.

Respondents also commented that the limit on the screening distance for the proximity of human receptors is a barrier to using SRPs for SG that are also MCP. This is particularly relevant at hospital sites where members of the public are nearby.

They cited SRP No 1 which has minimum distances of 150m from the nearest human sensitive receptors, 600m from habitat receptors, and the requirement to be outside an Air Quality Management Area. Taken together they felt this restricted the number of sites that would be able to apply for this SRP. They were unsure if the Environment Agency's conservative approach is justified in terms of environmental benefits. This approach leads to more work for both site operators and the Environment Agency. For example, bespoke permit applications, determinations and regulation.

Our response

Air quality impacts are complex and influenced by a combination of multiple parameters. The risk assessments inform the conditions on rated thermal input, fuel type, ELVs, operating hours, background concentrations and distance to sensitive human health and ecological receptors. They set the limits to protect the environment and do not allow emissions to air to cause significant pollution. Our risk assessments must be conservative enough to cover all types of plant and operation which could fit within each SRP. In designing the SRPs we endeavoured to capture as many low risk plants as possible. We worked with industry to strike the right balance between the variety of site parameters and the environmental risk.

3.3.3. Charges for standard rule permits

One respondent asked specifically about our proposed charges for the new suite of SRPs except No 7. They had two questions:

- (i) Why is there a figure of zero MCPs to be added to the permit?
- (ii) Why is there a subsistence charge for each additional MCP? - they thought subsistence charges for MCP/SG are on a time and materials basis

Our response

The Medium Combustion Plant Directive¹ specifies in Annex I the information that must accompany each MCP permit application. This is in addition to the information required where the site operates only a specified generator. The table in section 3.2 of the consultation document reflects the additional work the Environment Agency will need to do where a specified generator is also a new medium combustion plant. That means where it's more than 1MWth input. Where the SG is less than this threshold, it cannot be a new MCP and so the original charges apply.

MCP/SG standard rules permits have fixed charges for all our regulatory activities. These were included in the consultation document. Bespoke permits have fixed charges for applications and variations which are published in Table 1.10 of our Charges document. See the Environmental Permitting Charging Scheme 2019:

<https://www.gov.uk/government/publications/environmental-permitting-charging-scheme-2019>

We only apply compliance charges for bespoke MCP/SG permits on a time and materials basis at the rate of £100 per hour.

3.3.4. Operator monitoring of emissions to air

A number of queries were raised in this area of the consultation.

i) Monitoring MCPs that operate less than 500 hours per year.

One respondent suggested that the monitoring requirements table for less than 500 hours ELV exempt MCPs (SRP No 7) was unclear, that is for carbon monoxide (CO) and oxides of nitrogen (NOx) not just CO.

Our response

We are aware that the MCPD only requires CO monitoring for less than 500 hours per year MCP – not NOx. We are going further than the directive requires. We believe this presents little additional work. The 2 substances can be monitored almost simultaneously and the results will provide us with useful data on the typical NOx emissions of emergency backup MCPs for the future. The frequency is minimal – at most every 5 years and this is only for new MCPs.

ii) Specified Generator guidance – discrepancy in monitoring emissions for specified generators and medium combustion plants, and the position where both regulations could apply to the same equipment, concerned one respondent. They cited the current SG guidance which on page 11 says:

"The operator must verify they can meet the standard ELV or ELVs in SRPs in advance of.....making a permit application", whereas MCPs must have emissions measurements taken within 4 months of registration/permitting. [Annex III (4)].

Our response

Where a SG is also an MCP we will require monitoring of emissions through a condition in the permit.

3.3.5. Comments on specific conditions

Comment

A couple of respondents suggested that the SRPs should be clear on the presence of point source emissions from MCPs or SGs not yet required to be permitted on the site. This should not prevent the use of SRPs.

Specifically, rule 2.2.1 in SR 2018 No 7 says "Only the MCPs listed in the permit can be operated at the site" and in SR 2018 No 1 rule 2.2.2 says "Where MCPs are operated as part of the SG, only those MCPs listed in the permit can be operated at the site." There may be other similar conditions in other SR sets. They thought it entirely possible that a new SG or a new MCP will be

¹ EU 2015/2193

installed and operated at a site where existing MCPs are located and the rules need to make it clear that the operation of MCPs that are not yet required to be registered because they are 'existing', is not covered by these rules or the permit.

Our response

The phrase 'site' in relation to MCPs is confusing. The term 'specified location' is that which defines the position of each MCP. It is this term we will use in the new SRP No 7. This will enable other MCPs at a different specified location to be operated outside the scope of SRP No 7 until the appropriate date for permitting those plants.

Comment

It was also suggested that in SR2018 No1 Table 3.1 the row "CHP boiler" is not required. This is because a boiler does not generate electricity so cannot be an SG. Also, a boiler used as part of a CHP scheme will either be a waste heat boiler with no fuel used in the boiler, or a combination boiler where part of the boiler uses the engine waste heat and part uses a fuel to top up the heat provided by the boiler. Table 3.2 is therefore sufficient.

Our response

We need to keep the 2 tables to reflect the different monitoring requirements. CHP boilers may utilise a steam turbine for the co-generation of heat and power.

Comment

One respondent asked us to provide a table summarising the rules applicable per SRP. They highlighted that:

SRP No 7 Introduction Note refers to single fuel use whereas the permit now allows dual fuel use.

SRP No 7 excludes generators (except back-up) but lists engines and turbines in Table 2.2.

Our response

We will consider updating our guidance to include a guide to the standard rules set.

Different fuel options are available under the permit but only one fuel source maybe used at any one time. This is apart from boilers where dual fuel use for limited hours as a back-up fuel is permitted. We have clarified this in the permit.

Turbines and engines that produce power for 'direct drive' applications, rather than export power to the National Grid are covered by SRP No 7.

Comment

One respondent suggested that SRP No 6 is not compliant with the requirements of the MCP Directive (MCPD). Table 3.2 sets a limit of 190mg/Nm³ (15%O₂) for a new MCP gas engine less than or equal to 1MWth firing natural gas. The MCPD requires compliance with 95mg/Nm³ for such plants. They suggested we should amend this.

Our response

Yes, the ELV would be 95 mg/Nm³ if it was a new MCP between 1 and 1.3 MWth. See Table 3.2. However a specified generator can be less than 1MWth and so not an MCP in which case the ELV is 190 mg/Nm³. Similarly the SG could be an existing MCP of 1 to 1.3 MWth which would mean it needs to meet the 95 mg/Nm³ ELV in 2030, but it has a contract which makes it a Tranche B SG which carries the ELV of 190 mg/Nm³.

SRP No 2 is designed for Tranche B specified generators that can achieve the MCPD ELV for new engines and is more flexible in terms of larger aggregated thermal input and more operating hours.

Comment

One respondent recognised that in SRP No 7, rule 2.2.2 clarifies that both the stack height and minimum screening distance criteria must be met to qualify for the SRP. They added that in this context, the wording in 2.2.3 is superfluous and confusing - it could be interpreted that a unit could

qualify for an SRP by meeting the stack height criterion alone. Consequently they suggested that Rule 2.2.3 should be omitted.

Our response

We have amended these specific conditions in SRP No 7 and the content of Table 2.2 to clarify the stack height requirements and distance to the ecological receptors.

Comment

Having read that SRP No 7 treats biogas as a distinct fuel category one respondent suggested that to provide clarity it should not also fall under the heading 'gaseous fuels other than natural gas' (as it does in the MCPD, albeit subject to specific footnotes). They added the latter category should be stated as 'gaseous fuels other than natural gas or biogas' within SRP No 7.

Our response

We agree.

Comment

A respondent suggested that the final row in Table 2.2 is already covered by row 4 and can be removed.

Our response

We agree.

Comment

The statement 'otherwise non specified' was queried in the context of its use in Table 3.1 of SR2018 No 1 under 'monitoring frequency'? It was thought this comment may well apply to other SRP sets.

Our response

Table 3.1 of the new consultation document SRP No1 does specify a monitoring frequency that depends on if abatement has been fitted to enable operations to comply with the ELV. For these the monitoring frequency is once every 3 years. Where no abatement is required to enable compliance with the ELV then no monitoring frequency has been specified. This means that in this particular circumstance no monitoring of emissions from the generators covered by the permit is required. That is unless the Environment Agency has cause to require specific monitoring as set out in condition 3.2.2.

3.3.6. Electronic application form

Comment

It was noted by one respondent that MCPApp_releaseVO1_31 (Electronic SRP application form) will need to be updated to reflect the revised SRP criteria, including the extension to include MCPs under SRPs other than SRP No 7 and the following:

SRP No 4 and SRP No 5 are only applicable to engines, but allow boilers as a valid technology selection when verifying the plant.

When SRP No 7 is selected for 'a single specified generator' it allows individual plant of more than 20 MWth as a valid thermal input selection when verifying the plant, despite the individual limit of 20 MWth.

When SRP No 7 is selected it does not allow boilers burning natural gas or boilers burning other gaseous fuels as a valid combination, despite these combinations falling within the scope of SRP No 7.

Our response

Thank you for pointing out these details. We will reflect on these comments before we release a new version of the electronic application form and the validation criteria within it.

3.3.7. 1,500 hours operating threshold

Comment

This effect on screening simple and complex bespoke applications prompted one respondent to ask why 1,500 hours could not be extended.

Our response

SRPs and simple bespoke permits are of low risk to air quality. Complex bespoke are generally higher risk.

We generally consider emergency and peaking plant to have lower impacts than mid merit / base load plant because the latter operate for longer. They may impact long term air quality standards and habitats as well as short term air quality standards. Therefore have scope to cause greater impacts.

Peaking operational hours are considered to be less than 1,500 hours per year as a rolling average. This is a definition included in the IED2 and EED3 and it is generally recognised in the electricity supply industry.

In designing the simple bespoke tool and SRPs we endeavoured to capture the majority of low risk plant. We have decided that 1,500 hours per year and peaking is a recognisable threshold to determine low and higher risk sites based on the air quality impacts. Selecting a higher value such as 2,000 or 2,500 hours per year that may apply to a limited number of sites would present greater environmental risk.

3.3.8. Relocation of old engines

Comment

One respondent raised the use of existing gas engines that are also MCPs. They justified this reuse on the basis of the optimisation of gas utilisation capacity at coal mine methane sites, citing also the health and safety aspects of the operation. They noted that the SRP revisions do not appear to make reference to existing plant that is relocated.

Our response:

Our MCP guidance defines a new MCP as one that is put into operation on or after the 20 December 2018. Also that an existing MCP becomes a new MCP when it is altered or repaired which results in the existing ELVs changing. This can occur when changing to a less polluting fuel, or when the cost of refurbishment exceeds 50% of the cost of a new MCP of comparable size. Existing MCPs are subject to transitional arrangements depending upon their size and emissions.

3.3.9. Site proximity to sensitive receptors

Comment

One respondent thinks including Sites of Special Scientific Interest (SSSI) within the ecological receptors within the screening distance criteria for SRP No 7 represents a significant increase in stringency. They want to know if this represents an omission before or an increase in stringency to match the additional categories now included within SRP No 7.

Our response

Our duties under the Habitats Regulations and Wildlife & Countryside Act require us to consider the impact of aerial emissions upon SSSI's. The screening criteria for SRPs has always been based on both European and domestic habitats designations. Therefore this does not represent an increase in stringency. This was omitted from our consultation document.

² 2010/75/EU

³ 2012/27/EU

3.3.10. Permitting of Tranche B Specified Generators

Comment

The delay we've encountered in permitting more complex Tranche B specified generators than we expected to receive, prompted one respondent to suggest that there may remain some applications for complex bespoke permits which may now be eligible for a new SRPs as consulted on. They added that where permits have already been issued for Tranche B generators which may now be eligible for a standard rules permit under the additional categories, those operators should be entitled to request a replacement SRP, or have their permit conditions amended to match those applicable under the equivalent SRP. They concluded this would ensure a level playing field and avoid penalising early applicants.

Our response

We have consulted on these standard rules before. In so doing we tried to include as many of the scenarios as we could within the constraints of protecting the environment. However, we've received further new requests. In such an evolving situation the scope of some permits will change to the benefit of some operators.

4. Next Steps

We will use the responses from this consultation to inform any amendments to the proposed rules sets.

The revised standard rule sets will be published on the GOV.UK website.

If you responded and wish to follow up your response, or want more detail on any of the points made in this document, you can contact us:

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