

March 2021

Dear Phil

### **Industrial Emissions Directive Position Statement**

In support of our permit applications for sites under Industrial Emissions Directive, we would like to make clear our position, as per previous communications we have sent to the Environment Agency regarding IED and Green Recovery.

The timescales for permitting sites under IED runs right up to the August 2022 regulatory compliance date. As such it seems clear that improvement conditions that will be set out within permits, particularly those requiring capital investment, would be expected to go beyond the August 2022 deadline. We are keen to support the development of a pragmatic approach to setting timescales for improvement conditions that allow for securing the resources for capital investment related to improvement conditions.

We received confirmation from the EA on 8th July 2019, that the EA had changed its formal regulatory position, regarding the regulation of sewage sludge. Such a change in regulatory requirements inevitably presents a need for investment in order to meet the new compliance standards. We had already finalised our investment plan for AMP7 with Ofwat, prior to receipt of this formal communication, and thus the costs of this change were not included in our AMP7 plan. Furthermore, the omission of IED requirements from the WISER and subsequent WINEPs covering AMP7 (which is the route by which the EA communicates required enhancements) had previously led us to the reasonable conclusion that the EA was not going to be requiring the resulting investment to be implemented in AMP7.

Our proposed approach to ensure UU is to be able be compliant with IED, across its asset base, and in a timely manner, is as follows:

- Endeavour to ensure that all our facilities will hold IED permits by August 2022, meeting the required regulatory compliance date.
- Where possible, improvements to comply with BREF standards will be delivered in AMP7 e.g. updates to environmental management systems.
- It is anticipated that any capital investment required as part of the new permit standards will be included as site specific Improvement Conditions within the permits.
- The next publication of the WISER to explicitly include IED to communicate requirements to the water industry. This would provide a mechanism by which the water industry could plan to meet existing and future Best Available Technique (BAT) requirements.

- Inclusion of site specific Improvement Conditions in the AMP8 WINEP will allow United Utilities to seek Enhancement Funding through PR24.

As a large programme of investment is required across 31 sites, we believe this is a reasonable and pragmatic approach to the prompt implementation of IED, which allows the issuing of permits and implementation of improvement conditions as soon as possible. We would expect that timescales for improvement conditions align with this approach.

Kind regards,

A handwritten signature in black ink that reads "K Owens". The signature is written in a cursive, slightly slanted style.

Katherine Owens

Head of Environmental Regulation and Technical Expertise