Briefing Note: Medium Combustion Plant (MCP) and Specified Generators (SG) update – England only.

10 October 2023

To comply with the requirements of the Environmental Permitting Regulations (EPR), Schedule 25A & 25B you should apply for a permit from the Environment Agency (EA) for the following:

- New standalone MCPs between 1-50MWth (before it is commissioned)
- Existing standalone MCPs between 5-50MWth (must be permitted by 1st January 2024)
- Tranche A and B specified generators (permitting date requirement varies)

Please note: The following parts of this briefing note are technical in nature and may require background knowledge of MCP&SG regulations. If you are new to the requirements, then we recommend that you read our guidance pages starting here: Medium combustion plant and specified generator regulations - GOV.UK (www.gov.uk) There is also a leaflet here which you may find useful.

Standard rules (SR) permit for new and existing low risk stationary MCPs and Tranche B Specified Generators

Standard rules permits are available for certain low risk MCP and SG operations, these are the cheapest option available in terms of application charges and on-going subsistence.

You can view the available standard rules here.

To apply for a SR permit you must be able to meet the rules set out in the permit, if you cannot you need to apply for a bespoke permit.

The latest version (v5.3) of the MCP and SG standard rules application form is located <u>here.</u> The application form contains a handy rule set helper which will confirm if you can meet the criteria for an MCP or SG SR permit.

If you already have a SR2018 No7 permit and you now want to add some existing MCPs at the same site then you should use the same application form as you would if applying for a new SR permit here. The application form will ask you for the details of your current permit. In the application form tell us about the plant you want to add to that permit and pay a charge relevant to the number of plant being added under this application. Following determination of the permit you will be issued with a new appendix A which will list all the permitted plant at this site.

Standard Rules permit applications for existing MCPs 5-20MWth should have been made before the 30th September 2023 to allow the EA the statutory time to determine them and issue a permit before the regulatory deadline of the 1st January 2024.

Applications made after this date cannot be guaranteed to be permitted by the 1st January 2024. Operations which continue to operate without the necessary permit after the 1st January 2024 may be subject to enforcement action. We recommend putting in a permit application as soon as possible to avoid this.

Bespoke permits for existing standalone MCP 5-50MWth

If you cannot meet the conditions in a standard rules permit, you must apply for a bespoke permit. There are 2 types:

- simple bespoke (low risk) does not require detailed air dispersion modelling
- complex bespoke (high risk) does require detailed air dispersion modelling

We have updated our <u>quidance</u> so that you can assess which type of bespoke permit you must apply for and the information you will need to provide.

We have updated the air emissions risk assessment process breaking it down into stages.

Stage 1 provides a minimum screening distance to a protected habitat, if you are operating MCP outside of these distances then you can apply for a simple bespoke permit. Please note these screening distances were amended in March 2023 and are now linked to the thermal input and fuel types used.

Simple bespoke permit applications for existing MCPs 5-50MWth should have been made before the 30th September 2023 in order to give the EA time to determine them and issue a permit before the regulatory deadline of the 1st January 2024.

Applications made after this date cannot be guaranteed to be permitted by the 1st January 2024. Operations which continue to operate without the necessary permit after the 1st January 2024 may be subject to enforcement action. We recommend putting in an application as soon as possible to avoid this.

If you are within the stage 1 screening distances, then you should move to a stage 2 assessment. This involves using the <u>simple calculation of atmospheric impact limits</u> (<u>SCAIL</u>) <u>Combustion tool</u> to do an air emissions risk assessment. The output of the screening and subsequent assessment will determine if you:

- 'Screen out' and need to apply for a low-risk simple bespoke permit
- 'Screen in' and need to apply for a high-risk complex bespoke permit.

Follow the <u>guidance</u> on how to use SCAIL combustion tool and assess the outputs. You will need specialist knowledge to use it. You should find an air quality consultant to do it for you.

If you do not use the SCAIL combustion tool and guidance to carry out a stage 2 air emissions risk assessment, you will need to apply for a complex bespoke permit.

Complex bespoke permits will require you to send us a detailed air dispersion modelling report. You must also include information about any actions you are taking to reduce air impacts to prevent harm to a habitat. Detailed modelling requires specialist knowledge. You should find an air quality consultant to do it for you.

As the EA did not make the SCAIL combustion tool available until June 2023 we recognise that some operators will not have been able to access air quality consultants in time to make a full application with detailed air quality modelling before the 30th September 2023 and for this to be determined before the 1st

January 2024 (regulatory requirement for a permit). In recognition of this we have today issued a regulatory position statement (RPS).

Subject to meeting the conditions of the RPS you will be allowed to continue operating without a permit after the 1st January 2024 and are given extra time to submit detailed air quality modelling to support your application and for the EA to determine the permit application.

If you cannot meet the conditions of the RPS and you submit an application for a complex bespoke permit application after the 30th September 2023 then we cannot guarantee you a permit by the 1st January 2024. Operations which continue to operate without the necessary permit after the 1st January 2024 may be subject to enforcement action. We recommend putting in an application as soon as possible to avoid this.

The application forms for a new bespoke permit application for MCPs and SG can be found here.. The current form is version 3, dated March 2023. Any previous versions will not be accepted. Please note, we have recently uploaded a new version of the combustion plant list spreadsheet, always use the latest one from our website and delete any previous versions you may have saved locally.

Variations to bespoke permits

Application forms to vary a bespoke permit can be found here.

The type of variation (minor or normal) depends on the change that is being made.

The application charge is based on whether the original permit being varied is complex bespoke (1.10.2) or simple bespoke (1.10.3). This extract is from the charging scheme:

Table 1.10 Combustion and power							
Ref	Activity	Permit application	Minor variation	Normal variation	Substantial variation	Transfer application	Surrender application
1.10.1	Section 1.1 - combustion plant - rated thermal input of 50MWth or more.	£19,103	£5,731	£9,552	£17,193	£2,459	£11,462
1.10.2	Medium combustion plant site – requires dispersion modelling.	£6,550	£1,965	£3,275	£5,895	£2,459	£3,930
1.10.3	Medium combustion plant site – does not require dispersion modelling.	£2,028	£608	£1,014	£1,825	£2,459	£1,217
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Table 1.10 Combustion and power

Here are some examples:

Adding more MCPs to a complex bespoke permit

If your original permit was a complex bespoke and the existing MCP was included in the air dispersion modelling report (ADMR) which was submitted during determination of that permit you may use this ADMR again when you apply to vary the permit providing there have been no changes, such as to fuel types with additional pollutant emission limits or increase in operating hours. The charge would be for a minor variation to a complex bespoke permit ref 1.10.2 - £1,965.

Likewise, if the plant to be added screens out as low risk using the stage 1 air emissions risk assessment guidance this would also be considered a minor variation charge ref 1.10.2 £1,965 and no additional modelling would be required to be submitted.

If existing plant was not included in the original ADMR and you cannot screen out using stage 1 air emissions risk assessment guidance, then you will need to submit another ADMR which does include both new and existing combustion plant. You may want to future proof this report to include all combustion plant on site – for example

MCPs 1-5 MWth. The charge would be a normal variation to a complex bespoke permit ref 1.10.2 - £3,275

Adding more MCPs to a simple bespoke permit

If your original permit was a simple bespoke which didn't require you to have submitted ADMR and you now want to add existing plant which also meets the criteria for a simple bespoke permit you should pay the normal variation charge ref 1.10.3 - £1.014.

Complex bespoke specified generator permit is now also an MCP

If you already have a complex bespoke permit for a specified generator and that plant will now need permitting as an existing MCP you will need to make an application to vary your permit. The type of application you need to make, the charge and the supporting information will vary depending on the circumstances:

- If your permitted plant burns natural gas or gas oil it will retain the same emission limit values in the permit, this means that we will not need to reassess any air quality emissions assessments/modelling you should make a minor variation application ref 1.10.2 £1,965.
- If the emission limit values will change when we add the MCPD requirements because you are burning a fuel which has dust and SO₂ emissions, you may need to provide a revised d air quality modelling report (if not previously provided to assess these risks) particularly where habitats are present within the minimum screening distances given in the <u>guidance</u>. In these cases, you will need to make a normal variation application ref 1.10.2 £3,275.

Variation applications to complex bespoke permits are also covered by the RPS providing you can meet the conditions. If you cannot meet the conditions of the RPS or you are varying a simple bespoke permit and you submit an application for a complex bespoke application after the 30th September 2023 then we cannot guarantee that we will determine your application by the 1st January 2024. Operations which continue to operate without the necessary permissions after the 1st January 2024 may be subject to enforcement action. We recommend putting in a variation application as soon as possible to avoid this.

Aggregation

We would like to draw your attention to the guidance on <u>aggregation</u> In summary:

- you only need to aggregate NEW MCP where they share a common stack.
- You should not aggregate existing MCPs even if they share a common stack.

Back-up generators

Backup generators (operated for less than 50 hours per year for testing) which are Medium Combustion Plant **DO** require permitting at the relevant date.

EA review of MCPs which are listed as part of an Industrial Emissions Directive (IED) permit

For existing MCP between 5-50MWth which are listed as part of an Industrial Emissions Directive (IED) permit we will carry out a review of these permits to ensure they are MCPD compliant as a minimum.

Reviews of permits in the industrial food, drink and milk and biowaste sectors are already underway as part of a wider review programme. Where a review is not already planned, we will send out Regulation 61 notices requiring the necessary Medium Combustion Plant Directive (MCPD) Annex 1 information. We had previously indicated that this would in summer 2023, however this is now delayed and now expect this to be between December 2023 and March 2024. Once we are in receipt of the information, we will then carry out agency-initiated variations where necessary during 2024 and 2025. There is a separate more detailed briefing available about this process which was last updated on 12 September 2023 here.

Existing MCPs which have a 1.1 Part B and 5.1 Part B permit

For existing MCP which currently hold a permit for Environmental Permitting Regulation Schedule 1, Part 2, Chapter 1, Section 1.1. Part B activity (unit greater than or equal to 20MWth) or a Schedule 1, Part 2, Chapter 5, Section 5.1 Part B (burning of waste biomass as described in Article 3 (18) (b) of the MCPD) permit with the Local Authority we will contact affected operators directly about when and how your permit will transfer to the Environment Agency as the regulator on the 1st January 2024.

When the transfer takes place, we will also review and possibly vary your permit to ensure it meets MCPD requirements before the compliance deadline of 1st January 2025.

Existing MCPs that are part of a Part A2 facility regulated by the Local Authority (LA)

For MCP(s) at Part A2 facilities regulated by LA's, we are still working on preparations to ensure compliance with MCPD of in scope combustion plant at these facilities and determine who the regulator will be. We will update you with more information in a future briefing note.

EA review of MCPs which are part of a waste permitted facility (including closed Landfill).

For existing MCP between 5-50MWth which are listed as part of a waste permit (non IED) and the air emissions risks has already been assessed we will carry out a review of these permits to ensure they are MCPD and SG compliant as a minimum.

We will send out Regulation 61 notices requiring the necessary Medium Combustion Plant Directive (MCPD) Annex 1 information sometime between December 2023 and March 2024 and carry out agency-initiated variations where necessary during 2024 and 2025.

If an MCP and/or SG is absent from the permit, then the operator will need to make an application at the appropriate time. MCP and/or SG which is associated to the

waste activities taking place will likely require a variation to the existing permit. MCP and/or SG which is not associated to the waste activity will require a standalone separate permit.

Specified Generators

We have published a revised specified generator tool <u>here.</u> You can now use this tool as part of an air emissions risk assessment for a bespoke application if you operate one of the following:

- Tranche B or Tranche A specified generator site, or a mix of Tranche A and B specified generator site where all Tranche A generators comply with the Tranche B requirements
- single or group of new or existing engines that can achieve the medium combustion plant directive and, or specified generator emission limit values
- specified generator or generators that have vertical stacks without cowls or caps
- specified generator or generators that are fuelled by natural gas, that is, there
 are insignificant emissions of sulphur dioxide and particulates or, are fuelled
 by ultra-low sulphur diesel with secondary abatement, used for balancing (no
 more than 500 hours), and aggregated to no more than 20MWth

SCAIL Combustion tool should not be used for applications that include Specified Generators.

If you cannot use the specified generator tool, then you can screen the emissions using our <u>air emissions guidance</u> where there are no habitats or carry out detailed air dispersion modelling.

New email address for standard rules permit holders

The way that you correspond with us regarding your standard rules permit is changing.

The MCPDHelp mailbox introduced to help with the implementation of the Medium Combustion Plant Directive during 2018, is no longer fully monitored and will shortly be completely closed.

Future updates such as these briefings will be sent from the following **no-reply** mailbox MCPSG_Updates@environment-agency.gov.uk please ensure this is added to your contacts to ensure correspondence won't end up in the spam folder.

For submitting monitoring returns and correspondence to us regarding compliance and billing of standard rules permits only you should now use the replacement mailbox MCPReturns@environment-agency@gov.uk.

This does not affect any compliance data submitted through the MCPDHelp mailbox to date.

Providing correct contact details

It is important you ensure we hold up to date contact details of the people in your business responsible for compliance with this Standard Rules Permit in order that we can continue to undertake compliance activities in an effective and efficient manner.

Your Environmental Management System, required by Condition 1.1.1 of your Standard Rules Permit is an appropriate place for you manage change in personal responsible for compliance and corresponding with the regulator.

Please provide any updates to contact details using MCPReturns@environment-agency@gov.uk

Bespoke permit holders should contact their local compliance officer to manage any changes to contact details.

Developing an online apply for and manage environmental permissions service

In previous newsletters we've mentioned our "Apply for and manage environmental permissions service". The new service supports individuals, businesses and their representatives in the digital application process and provides an account to help manage their permits and permissions in one place.

We'd like to invite you to take part in the Private Beta testing of this digital service. Private Beta testing allows us to open the service to selected users to collect feedback on how it works and its features. We'll use this feedback to carry out further enhancements before we go live.

As part of the Private Beta testing, we're looking to recruit individuals, businesses or their representatives who will be applying for a new Medium Combustion Plant and Specified Generator (MCP & SG) permit during December 2023 and January 2024.

You can complete an application with or without the use of a consultant. If you use a consultant, they need to take part in the Private Beta test. As part of the process, we'll be gathering as much feedback from you as possible to ensure we refine and enhance the service before a full launch to all our customers.

If you're interested in taking part, we'll support you to make sure your application is successfully submitted for assessment. Please contact Katie.Walker@environment-agency.gov.uk for more information.

Pre-application advice

Did you know we offer a <u>pre-application advice service?</u> You can use the service to make sure your permit application is correct. To access the service for MCP and SG applications use the 'installations activities' link towards the bottom of the page.

We have also produced some flow charts to help you:

- Overview of MCPD and SG requirements
- Stationary MCP air emissions risk assessment for protected habitats (updated June 23)

Guidance

There are several guidance pages available on our website which give a more detailed understanding of the regulations when you need a permit and how to apply and comply.

This <u>document</u> provides the hyperlinks to all MCP & SG related guidance and application forms on our website to make it easier to navigate.

If you have any other questions

Please read the guidance here

If you have any questions about specific permit applications, you can access preapplication support <u>here</u>, selecting the 'installations activities' form.

You can join our mailing list here

All other enquiries can be made to enquiries@environment-agency.gov.uk or call us on 03708 506 506