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Environment Agency
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Dear Sir/Madam,

IED Article 15(4) Derogation Request and IC33 Response

This letter and the associated supporting document are submitted to request a derogation under Article 15(4) of the Industrial Emissions Directive (IED) for Lynemouth Power Station. The derogation seeks to maintain the current emission limit values (ELVs) for oxides of nitrogen (NO_x) and dust beyond 31 March 2027, during the proposed operational period under a Low Carbon Dispatchable CfD (LCD CfD), until the potential integration of post-combustion carbon capture and storage (pBECCS) in 2034.

The letter also serves as a response to Improvement Condition IC33 (BAT Conclusions 24 & 26) which requires that:

'The derogations from BAT Conclusion 24 & 26 are based on a timeline of March 2027. The operator shall update the Environment Agency on the operation of the installation and if necessary how compliance will be achieved beyond this date'

Lynemouth Power Station currently operates under a derogation for BAT Conclusions 24 (NO_x) and 26 (Dust), which expires on 31 March 2027. This derogation was granted on the basis of technical constraints and disproportionate costs associated with retrofitting additional abatement measures. We can now confirm that on 6 February 2026 EP Lynemouth entered into Heads of Terms for a LCD CfD with DESNZ. It is currently expected that a fully binding contract will be executed in the coming months allowing EP Lynemouth to continue operating as a biomass-fired generation station through to at least 2031. The LCD CfD also provides EP Lynemouth with time to fully develop future operating strategies, for example to subsequently deploy pBECCS to deliver negative emissions aligned with Carbon Budgets 6 and 7.

Summary of Justification**Technical Constraints:**

The existing boiler configuration and infrastructure severely limit the feasibility of retrofitting secondary abatement techniques such as SNCR or SCR for NO_x and fabric filters for dust. These options would introduce significant operational risks, including reduced boiler efficiency, increased corrosion, and ammonia slip, while failing to guarantee compliance with BAT-AELs.

Air Quality Assessment:

A detailed air quality impact assessment demonstrates that emissions under the proposed derogation scenario result in insignificant impacts on human health and ecological receptors when compared to relevant Air Quality Standards (AQS) and Environmental Assessment Levels (EAL). The contribution to national emissions ceilings remains negligible (0.16%–0.20% of the NEC for NO_x).

Cost-Benefit Analysis (CBA):

Using the Environment Agency's BAT CBA tool, the analysis confirms that the costs of achieving BAT-AEL compliance are grossly disproportionate to the environmental benefits. The preferred scenario of maintaining current ELVs through a combination of primary measures for NO_x control and ESPs for dust control represents Best Available Technique for the limited extension period.

Conclusion

The derogation is sought until 31 December 2034, aligning with the anticipated commissioning of the pBECCS facility. At that point, Lynemouth Power Station will be reconfigured to achieve BAT-AEL compliance as part of the carbon capture integration. Any additional abatement installed now would likely become redundant and require removal during pBECCS integration. The derogation ensures continuity of low-carbon dispatchable generation, supporting security of supply and enabling future negative emissions.

The technical characteristics of the installation, combined with the disproportionate cost of compliance and negligible environmental benefit, justify the derogation request under Article 15(4). Approval of this derogation will enable Lynemouth Power Station to continue delivering low-carbon energy and progress toward negative emissions, supporting the UK Government's Net Zero Strategy.

Given the strategic importance of Lynemouth Power Station in supporting the UK Government's Net Zero Strategy and the ongoing negotiations for a Low Carbon Dispatchable CfD, it is essential that clarity on the exemption is achieved promptly. A timely decision will ensure continuity of low-carbon generation and avoid delays to Final Investment Decision (FID) scheduled between April and June 2026. This period is critical

for securing contractual certainty and enabling investment planning for future carbon capture deployment. We respectfully request that the Environment Agency prioritises this determination to safeguard national energy security objectives and compliance with climate commitments.

Yours sincerely,

Archie Castle
HSE Manager