

Review of SEPA's Regulatory Charging Scheme

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Objectives of the session

To give you a clear understanding of the key changes in charges that we intend to implement in 2018 and how we propose to get your detailed views.

Setting the Scene

- 2012 Consultation (&2013 workshops):
Agreed principles / methodology
- Key principles (good agreement)
 - Risk based
 - Flexible and targeted
 - Accountable, transparent and fair,
 - Stable and resilient
 - Simple and proportionate

Setting the Scene

- 2013 workshops: developed and refined model
- 2015: workshops, log on, consulted
- 2016: first bills, start review process
- 2017: stakeholder workshops
 - Consult June / July
 - Finalise scheme
- 2018: Revised billing

Setting the Scene: Allocation Rule Development - Overview

Consistent methodology is used across all activities:

Charge = (Activity + Environment Component) X
Compliance (NOT YET IMPLEMENTED)

Where:

Activity = Regulatory Work (Direct + Indirect)

Environment Component = Env Monitoring Allocation +
Science Support

Compliance = Site Performance

**The model uses licenced, sampled and data returns to
build the charge.**

Note: “Emissions” covers air / water emissions, waste
throughput, water abstraction, water impounded.

Consultation, Responses and other Areas of Change

- The consultation outlined:
 - Remove exempn 0.1 - 2 MW hydro
 - Consistent mothballing rules - ~20%
 - Charge for all water discharges
 - Apply compliance factor
 - Update Environment Component
 - Review inclusion of fish farm chemicals
- Consultation Response Commitments:
 - Review the waste charges.
 - Assess if actual abstraction can be used
- Other changes- Medium combustion plants

So What have we Done So Far

- Initial Work:
 - Developed shortened list of activities
 - Assessed water abstraction returns
 - some data issues
 - propose using actual and permitted
 - assessed length affected
 - Estimated impact of fish farm and other chemicals
 - Revised waste activities
 - Revised method for waste Environment Component.

Your Input – Sector Specific Workshops (or *Potential)

- We want to get your focused input:
 - Hydro (water use and small hydro)
 - Fish farms (abstraction, chemicals and fallow rules, compliance)
 - Public sector water (previously not charged, compliance)
 - Waste (changes in activity definition and calculation of Environment Component).
 - *Agriculture / Food and Drink (abstraction, mothballing rules)
 - *Medium sized combustion plant directive implementation

Conclusion

- Provided you:
 - 1) Reminder of the scheme and commitments made
 - 2) Timescales
 - 3) Outline of what we have done so far
 - 4) How we want to get your input prior to the consultation