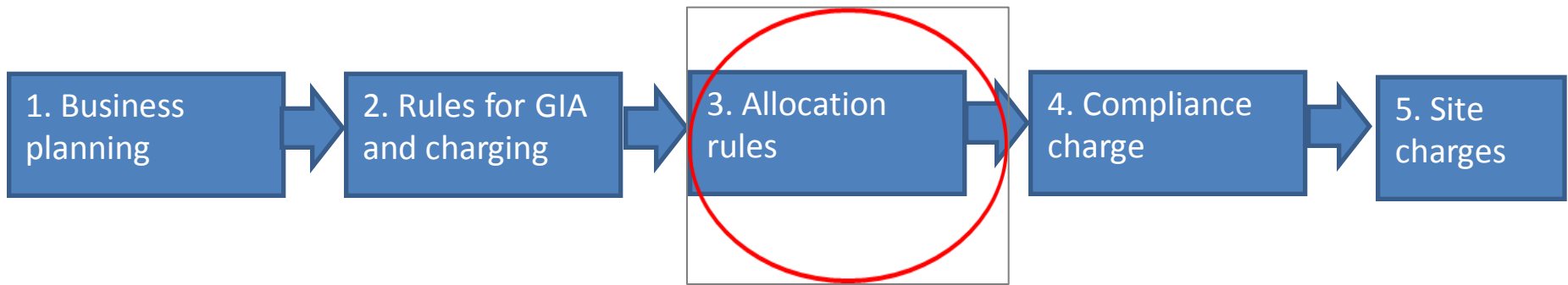


Emission Basis

John Burns



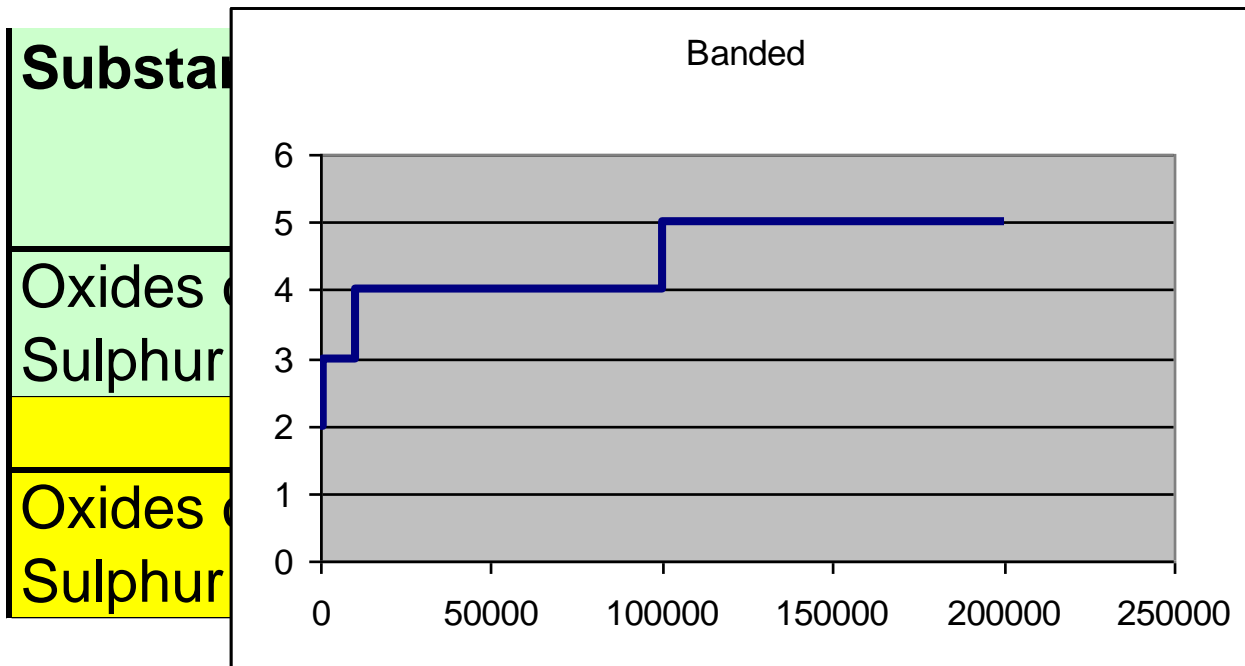


June Workshop Feedback

- Emissions ranked highly as being important or quite important
- Scored consistently in the middle of the range against most of the principles,
- Scored well on risk basis (2nd to Environmental Impact)
- Concerns about complexity
- Considered applicable for larger emissions (data quality)
- Identified that potential for double charging (e.g. CO₂ emissions under ETS and CRC)

Proposal

- Use the EA's emissions module as a basis
- What are givens:
 - Will look at the amount and the “hazard potential” e.g. toxicity / BOD etc.
 - Threshold value below which excluded



Example – Dry Cleaners

- Would not attract additional charges for emissions



Example – Medium Size Sewage Treatment Works

- Emissions charge would be based on water discharges only (if above threshold)



Example – Power Station

- Emissions charge potentially applied for:
 - Air
 - Water Discharge
 - Water Abstraction
- Air emissions likely to be dominant



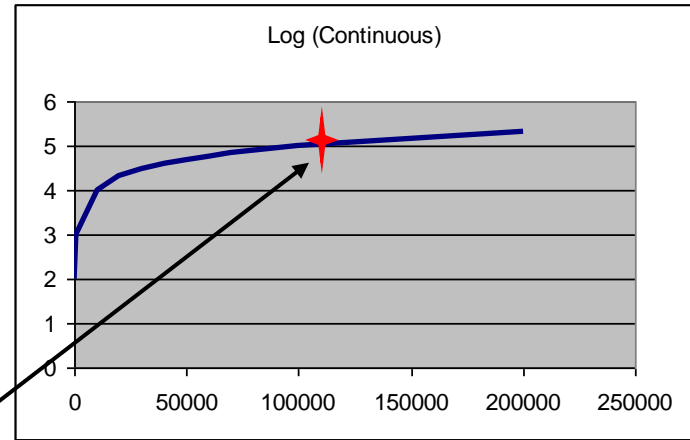
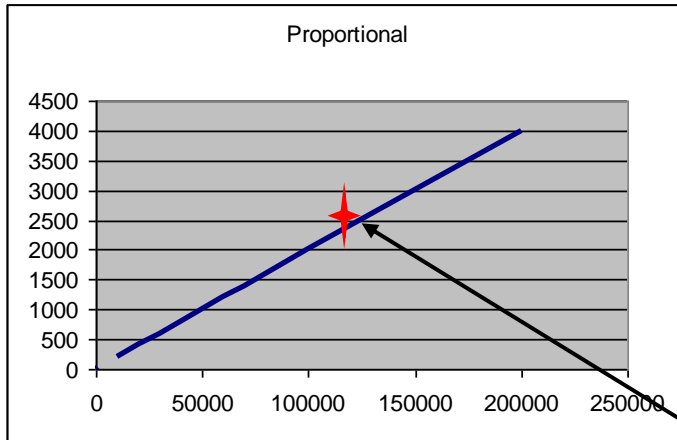
Key Questions

- Actual versus Permitted
 - If Actual Emissions: What timeframe (previous 3 years - discuss)?
 - Did consider plant capacity but considered that this is not helpful / relevant for many sites
- Banding versus Continuous Changes in Cost?

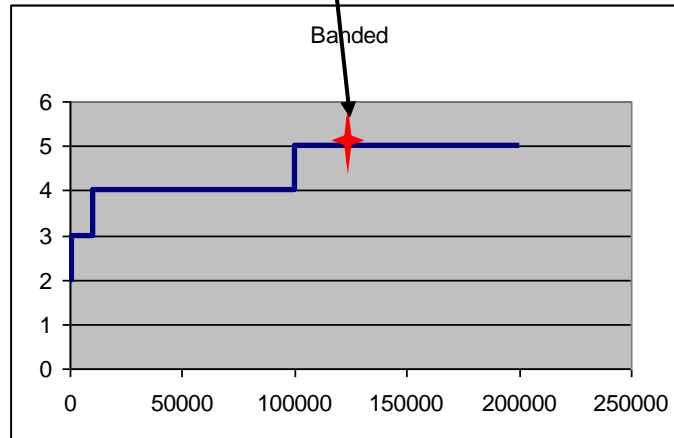
Key Question 1: Permitted vs Actual

	Pros	Cons
Permitted	Stable, defined, easily accessed, provides incentive to tighten limits.	Limits tighten too far – breaches, frequent variations, old limits. No active review of licence then potential blocks “spare” capacity to others.
Actual	Provides incentive to reduce actual emissions, remains flexible	Uncertainty in measurements. Potential to consider if “I” can afford it I can pollute.

Banded Versus Continuous (Air)



Large Coal Fired Power Station



Key Question 2: Banding V Continuous Changes in Cost

	Pros	Cons
Banding	Reflects there are potentially large uncertainties in measurement,	Not responsive to changes,
Continuous	Reflects even small positive changes,	More IS/data management / verification. Less Stable - variable between periods.