

Option 1. Sector Model



Andrew Sullivan

Introduction

- 'Sector' or 'Activity' based approach to charging.
- Consistent charging across an activity type.
- Average 'score' for sector (e.g. 1-100)
- Score based on combination of average emissions, complexity and monitoring/effort experience.
- Similar to current PPC Scheme

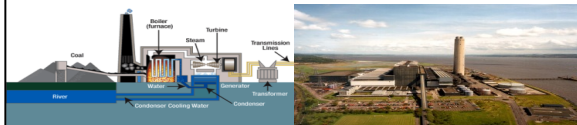
Combination of elements

Sector Hazard Score (y) (1-100)
BASE CHARGE (£x)

$$CHARGE = (x * y)$$

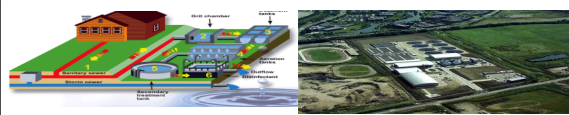
05/12/2013 05/12/2013

Example 1 – Coal fired power station



- High emissions
- High complexity
- High charge score (~90)

Example 2 – Sewage Treatment Works



- Range of emissions
- Range of scales
- Range of receptors
- Average would be difficult to calculate

Example 3 – In vessel composting



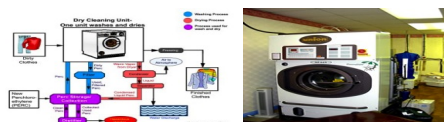
- High nuisance potential – but depends on location
- Risks to groundwater
- Medium charging score (~55)

Example 4 – Hydropower



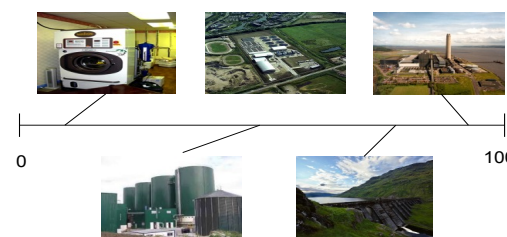
- Long term impact on water environment
- High complexity – integration with natural systems.
- High charge score (~80)

Example 5 – Dry Cleaners



- Low emissions
- Low complexity
- Low charge score (~5)

Scoring



Advantages

- Simple & easy to use
- Level playing field across a sector
- Stable & Predictable
- Partially risk based

Disadvantages

- Only partially risk based - Scheme can not differentiate between two examples of the same activity with different individual risks e.g.
 - 2,500 p.e. sewage works to estuary vs SAC river.
 - Large landfill in urban setting vs small landfill in remote setting.
- Sector averages can not reduce charges due to step change reductions in emissions on a site level or good location choice.
- Possibly unfair - Sector approach does not reflect poor compliance & associated additional effort e.g. complaints averaged across sector.