



The Chartered Institution of Wastes Management

The Chartered Institution of Wastes Management (CIWM) is the professional body which represents around 7,000 waste management professionals, predominantly in the UK but also overseas. The CIWM sets the professional standards for individuals working in the waste management industry and has various grades of membership determined by education, qualification and experience.

SEM Committee Proposed Position Paper SEM-10-060 on the Principles of Dispatch and the Design of the Market Schedule in the Trading and Settlement Code

CIWM welcomes the opportunity to respond to this proposed position paper on the principles of dispatch and the design of the market schedule in the trading and settlement code. CIWM sought comments from its Biological Treatment Special Interest Group, Thermal Treatment Special Interest Group and the CIWM regional centres in Northern Ireland and the Republic of Ireland and their feedback has helped form this response.

CIWM acknowledges that under the Single Electricity Market (SEM), which operates over the Island of Ireland, certain types of electricity generators will be given priority over others with regard to the sale of their electricity. However, CIWM believes that in principle, no one technology should dominate over another but that a balanced energy recovery approach should be developed that incorporates both biological treatment and thermal processes. Therefore in response to this position paper CIWM comments should be seen in the light of the SEM as a singular process rather than an endorsement of a single technology approach to the Landfill Directive.

The SEM Position Paper SEM-10-060 proposes certain changes to the operation of the market, including some relating to the definition of 'priority' status.

However, the current position paper does not suitably clarify or address the proposed arrangements with regards to Energy from Waste (EfW) projects and

in particular whether these facilities will be provided with Priority Dispatch status.

CIWM's view is that Priority Dispatch Status needs to be extended to EFW projects for the following main reasons:

1. **EfW projects operate on a 24/7 basis** to deal with waste as it arises, and thus provide "base load" energy.
2. **EFW plants need to operate continuously** to comply with stringent environmental controls. Energy from waste plant emissions are the most highly regulated industrial process.
3. **Energy from waste plants effectively deal with a "complex fuel"** – other forms of energy production (e.g. oil and gas fired power station) use "simpler fuels" for which "fast start up" technologies can be used to provide "peak load" supply.
4. **The energy produced by energy from waste plants helps to reduce green house gas emissions**, not only by diverting waste from landfill, but also by providing energy from the considerable non-fossil fuel element of waste.
5. From a waste infrastructure perspective, **energy from waste plants are needed to help Northern Ireland and the Republic of Ireland to help meet international landfill diversion obligations.**

EfW will play a crucial role in enabling Northern Ireland to meet its statutory waste obligations as articulated in the National Waste Strategy and the three sub-regional Waste Management Plans. Failure to implement these plans and establish EfW facilities in Northern Ireland will prevent it from discharging its legal obligations with the likelihood of severe sanctions from the Europe Commission and European Court of Justice to follow.

The Republic of Ireland's waste management policy sets out the need to develop integrated treatment solutions to meet European and National landfill diversion targets. EfW, also referred to as Waste-to-Energy (WtE) technologies, have been identified as one of the preferred solution options, with high efficiency waste recovery facilities replacing landfill disposal.

For the purposes of managing wastes, Ireland's local authorities have come together and formed seven regions and 3 counties. Each region and county have prepared Waste Plans outlining a management framework and required treatment capacities. Development of EfW capacity is included as a policy

objective in all Plans and the development of plants has been initiated in three regions to date.

A fully operational EfW facility has yet to be established in Northern Ireland and the Republic of Ireland. However, a number of nationally significant projects are currently at various stages of development on both sides of the border.

The delivery of waste infrastructure projects which include EfW capacity requires certainty that the electricity output will be provided with Priority Dispatch status in the Single Electricity Market. This enables facilities to:

- Meet statutory waste targets under the Landfill Directive 1999/31/EC;
- Achieve recovery status in the Waste Hierarchy under the Waste Framework Directive 2008/98/EC;
- Establish an integrated and adequate network of recovery installations with due regard to the principles of self-sufficiency and proximity as prescribed in the Waste Framework Directive 2008/98/EC;
- Obtain and comply with associated regulatory permissions e.g. planning and IPPC;
- Comply with the Waste Incineration Directive 2000/76/EC.

In addition, from a financial and economic perspective the provision of Priority Dispatch status will:

- Provide robustness and certainty to the business cases to ensure the relevant facilities are built and enable predictable cash flows to meet project debt servicing;
- Realise the most economically advantageous position for the taxpayer / ratepayer – who will also be an electricity consumer;
- Help to raise the initial necessary private sector funding to deliver the infrastructure required to meet statutory waste targets – operational uncertainty leads to investor uncertainty and more expensive or even commercially unviable projects;
- Be consistent with approaches elsewhere in Europe e.g. Denmark.

The Renewable Energy Directive 2009/28/EC requires Member States to give priority to generating installations using renewable energy sources in so far as the secure operation of the national electricity system permits and based on transparent and non-discriminatory criteria. The renewable energy sources as defined in Renewable Energy Directive include the biodegradable fraction of industrial and municipal waste. Accordingly, there is a clear direction from the EU that EfW facilities fuelled by the biodegradable fraction of industrial and municipal waste should be afforded priority dispatch within the Single Electricity Market. CIWM would stress that the Directive does not differentiate between the renewable and non renewable fraction of waste nor discriminate against the non-

renewable fraction. It is important that priority dispatch for EfW facilities is not confused with the issue of the electricity consumer or taxpayer funded incentives for renewable fuel sources e.g. ReFIT, NIROCs etc.

CIWM believes that a more cohesive approach is required to tackle waste and energy. A holistic approach must be taken to the development of energy policy and adequate regard must be taken in respect to statutory obligations for waste management. CIWM urges the SEM Committee and the Departments in each jurisdiction to recognise that waste legislative provisions could help contribute to preventing any abuse or inappropriate outcomes in the Single Electricity Market through the introduction of pragmatic and workable measures.

Furthermore, CIWM believes that a clear legislative and policy direction must be maintained and co-ordinated on both the environmental and energy fronts. CIWM is willing to assist in helping coordinate the environmental and energy aspects. Support should be given to EfW operators whose facilities are established to meet statutory waste management obligations and to accord such facilities a “must run” status. Steps include:

- a) Promotion of the waste hierarchy and EfW as a recovery rather than disposal route;
- b) Meeting of onerous permitting requirements by EfW facilities;
- c) Recognition of the security of supply provided by the non-intermittent indigenous fuel source used by EfW facilities;
- d) Recognition of the contribution EfW will make in respect of targets for energy from biomass;
- e) Recognition of EfW facilities technical characteristics and environmental constraints in Grid Code;
- f) Recognition of EfW facilities in respect to proximity to demand.

CIWM sees no incompatibility with the points made in this response and the SEM Committee’s legal duties and functions as outlined in the introduction of the Position Paper. These can be summarised as follows:

- **Security of supply and environment** – EfW facilities provide reliable capacity, generate electricity from non intermittent indigenous fuel source, are in close proximity to centres of demand, provide fuel diversity and reduce the reliance on imported fuel, contribute to the reduction of greenhouse gas emissions and remove from the next generation a legacy of landfill sites created by this one.
- **Effective competition** – the energy from waste facilities planned as part of waste infrastructure across Ireland will provide new base load generating capacity with low variable cost.

- **Energy from renewable sources** – EfW uses renewable fuel sources as defined by EU Directives and will make a significant contribution to the targets to produce energy from biomass.
- **Protection of the interests of consumers of electricity** – consumers of electricity are also producers of waste and they have an interest in their waste being converted from a liability to an income stream to control both the price they pay for both electricity and for waste management.
- **Exercise of functions** – Now is the time to address how EfW facilities are treated in the SEM, given the need to transpose EU legislation (Directive 2009/28/EC) related to waste being a renewable fuel source. Transposition into national law and waste infrastructure programmes in both jurisdictions should be uncomplicated and transparent. The SEM has an opportunity to facilitate the implementation of EU waste legislation while also progressing energy policy and facilitating the attainment of renewable targets.

In closing we would again reiterate that the Single Electricity Market and associated measures are implemented such that Energy from Waste facilities are granted priority dispatch to enable compliance with strategic waste obligations and in recognition of their renewable energy contribution, indigenous fuel source and the operating constraints placed on them by EU Directives and environmental licensing.