

Response ID ANON-93AN-B3NB-Z

Submitted to Developing the UK Emissions Trading Scheme (UK ETS)
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About you

1 What is your name?

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3 What is your organisation?

Organisation:
The City of Edinburgh Council

4 Please tell us which sector your organisation fits into:

Select from the following:
Other

If other, please specify here: :

Local authority

5 Region organisation HQ (or individual if not an organisation) is based:

Region:
Scotland

Outside of UK:

6 Are you happy for your response to be published?

Yes

7 Would you like to be contacted when the consultation response is published?

Yes

Reducing emissions from waste (Chapter 7)

124 Do you agree with the proposed timing for when waste incineration and EfW could be introduced into the UK ETS?

No

125 For operators of waste incinerators, EfW plants, and local authorities (LAs), please outline the steps that you will need to take, and the time required to prepare for the expansion of the UK ETS to waste incineration and EfW.

Enter your answer here.:

The proposal is to introduce ETS for the energy from waste and incineration sector by the mid to late 2020s. This sounds broadly reasonable but may in practice be ambitious.

As a local authority which does use energy recovery to dispose of non-recyclable waste, we have committed to Net Zero by 2030 and are committed to minimising emissions.

As a local authority we don't directly operate an energy recovery facility but do send waste to one. This is a modern facility which already generates electricity and which we expect will be capturing heat (and so operate at the higher level of efficiency) within approximately two years. That would be the first key milestone which we assume will reduce the facility's liability to an extent under the emissions trading scheme, although the detail of how this would work is not clear in the discussion paper.

Beyond this, the key issue is that we are not the waste producer. In our case, as we don't operate a commercial waste collection, the waste producer is the householder. We have to accept the waste they produce and have only limited powers to require them to use alternative outlets (specifically recycling collections which we already provide for around 70% of routine household waste arisings) or to practice waste prevention. Therefore, we will have no

choice but to accept the additional costs associated with the ETS scheme and this will impact on our existing limited budgets and ultimately on other Council services. There is no mechanism by which we can pass these costs on to (for example) households who don't participate in recycling.

126 Do you agree that the UK ETS should be expanded to include waste incineration and EfW? Please outline your reasoning, including alternative options for decarbonisation of the sector outside of the UK ETS.

Yes

Please explain your response here.:

In principle we do agree with this, because these are a source of emissions of climate change gases and we need to reduce those.

However it should be noted that the materials we send for energy recovery are those which cannot be recycled, either because they are not recyclable or because the householder made the choice not to recycle them.

We already seek to keep those to a minimum by:

- redesigning collection services to encourage householders to prioritise recycling (e.g. by reducing the collection frequency and size of bins for non-recyclable waste);
- maximising the provision of recycling services, which are capable of collecting approximately 70% of routine household waste;
- engaging and educating.

We do not control what types of, or how much, waste an individual household produces, and beyond what we already do we have limited scope to drive this further.

In addition, it can be noted that if this waste was not sent for energy recovery it would be landfilled. In this event the emission of greenhouse gas would be significantly greater due to the large biogenic content which would generate methane. While this is typically captured at landfill sites, this appears less efficient than direct energy recovery with heat capture, and methane has a considerably greater climate change impact than carbon dioxide.

In view of this, the pricing of the emissions from energy recovery facilities should take into account that overall, and provided they operate at a high level of efficiency, they would serve to reduce climate change impacts versus the alternative means of disposing of that waste.

127 Do you agree that all types of waste incinerators should be included in the UK ETS? If you believe certain incineration activities should be exempt, e.g. incineration of hazardous or certain healthcare waste, please provide details and specify which waste stream.

Not Answered

Please explain your answer here.:

No comment as this is outwith our area of expertise.

128 Do you believe ATT should be included in the UK ETS? What challenges could arise as a result of including ATT, if any, that are different to conventional waste incineration plants?

Yes

Please explain your answer here.:

Yes. We assume any scheme will be tailored to reflect the nature of any emissions and how damaging they are, although the discussion paper does not make this clear.

129 Do you agree that the point of MRV obligation for the UK ETS should be placed on the operators of waste incinerators and EfW plants? Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes

Please explain your answer here.:

Yes. In our case the plant provides a service to ourselves and a neighbouring authority as it was jointly commissioned by us. However it also accepts third party waste outwith this contract.

Therefore, only the operator has oversight of how much waste is being deposited (and what types of waste) by each customer, so only they can link the plant's emissions to the incoming waste.

A single point of obligation for each source of emission (i.e. each energy recovery facility) would also be expected to make the ETS more efficient to administer and operate.

130 If the point of MRV obligation is placed on operators of waste plants, should waste companies/operators or customers (either LAs or commercial and industrial customers) be responsible for meeting compliance obligations? Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes

Please explain your answer here.:

Yes, the operator of the facility should be responsible. It is not clear how else it could operate.

131 Do you believe that the Small and Ultra Small Emitter schemes that are currently available to eligible UK ETS participants should also be available to waste incinerators and EfW plants? Please provide details including, where relevant, whether your organisation is likely to be eligible for these schemes based on current rules.

Not Answered

Please explain your answer here.:

No comments as we are not involved in this.

Monitoring, Reporting and Verification of emissions (Chapter 7)

132 Which MRV proposal do you believe should be implemented to determine the UK ETS obligation for waste incinerators and EfW plants?

Please provide your answer here.:

There are pros and cons to both systems.

At the current time, for recycling services, there is an MRF code of practice whereby the operator of the facility carries out routine, regular (small scale) analyses of the incoming waste from different customers, and this would seem to be an equitable model.

The discussion paper recognises the difference between biogenic and fossil carbon in waste arisings but does not really explain how variable levels of these will be treated, so it is difficult to give an informed view.

133 Do you believe that one of the MRV options proposed is more likely to lead to perverse incentives (e.g. more waste diverted to landfill) or to unintended consequences as a result of applying the UK ETS to waste incineration and EfW? Please consider different scenarios and provide evidence to support your views where possible.

Enter your answer here.:

The only realistic alternative for this material at present, because it is unsorted and highly contaminated, is really landfill. In Scotland this route is significantly restricted and is largely on track to be phased out as a mass waste disposal route, certainly for household waste.

In parallel the waste management industry has been developing non landfill routes for commercial waste. These are essentially the same as for household waste.

If there was any unintended consequence from the implementation of the ETS therefore, i.e. if it made landfill a cheaper option, the Government could control this via legislation and/ or landfill tax levels.

134 Do you believe any additional greenhouse gases, other than CO₂, that are emitted by EfW plants or incinerators, should be covered by the UK ETS? If so, please provide details on which gases and how it could work in practice.

Not Answered

Please explain your answer here.:

No comments.

135 How would the application of an ETS to waste incineration and EfW impact stakeholders (including operators of waste incinerators, operators of EfW plants, LAs, consumers, customers)?

Enter your answer here.:

As a local authority we have no choice to send this material to energy recovery- we have limited control over the waste arisings we receive from the householder, over and above the steps we already take. We will have to absorb the costs, and that will impact on other Council services.

136 Could the introduction of a carbon price incentivise waste operators and/or LAs to improve their operations or processes to reduce fossil waste being incinerated? Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes

Please explain your answer here.:

Possibly.

It might help to drive, or support the business case for, developing heat networks where that is not already the case, and stimulate interest in carbon capture and storage albeit this is very much in its infancy and is not yet really proven technology.

In theory it might encourage more pre-sorting of the mixed waste at the plant but this has been tried previously with limited success due to the high

levels of contamination.

It is likely that other policy initiatives such as the development of deposit return schemes and extended producer responsibility will have a greater impact in removing the fossil carbon in particular from the energy recovery processes.

137 Could the introduction of a carbon price incentivise LAs to support households to improve recycling practices? Please outline your reasoning in as much detail as possible and provide evidence to support your views.

No

Please explain your answer here.:

Not really. Local authorities have been doing this for years, and already provide comprehensive recycling services but are restricted by the budgets available. Local authorities have limited powers to compel people to use these and are reliant on most people voluntarily doing the right thing.

As a local authority we feel we've already done the "big picture" work through redesigning collection services to restrict capacity for non-recyclable waste and maximise availability of recycling services, and anything we do now is likely to provide relatively incremental results. When we face budget restrictions it becomes harder and harder to justify these, particularly "soft" interventions such as education or engagement which may not provide a tangible, measurable outcome. In this context the implementation of the ETS could well make this harder rather than easier.

In summary, further performance improvements are likely to be incremental and each percentage improvement is likely to be increasingly costly in terms of cost per tonne.

138 Is there opportunity (in the medium-long term) for the carbon price to incentivise waste operators and/or LAs to invest in carbon capture and storage infrastructure, to reduce fossil carbon emissions? Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes

Please explain your answer here.:

Yes, and this is already listed as an item for exploration in our next waste management strategy (post 2025). However, carbon capture and storage is very much in its infancy and is not yet really proven technology. Our understanding is also that it's highly location dependent so at this point we don't know enough to provide an informed view of this.

139 In the event of the carbon price being applied to waste operators, will waste operators be able to pass through their costs to customers (including LAs)? Please explain in as much detail as possible why, how, and to what extent this may or may not occur.

Yes

Please explain your answer here.:

Yes, we'd expect the costs to be passed on in full. This would be likely to occur via variation in the contract. We'd expect to pay a share related to the amount of waste we send to the plant, and possibly related to the content of the material. We wouldn't expect to pay for emissions from other waste streams, such as our partner authority or third party waste.

140 For LA owned plants, would unitary authorities and waste disposal authorities be the only authorities exposed to the carbon price – in the event of waste operators passing through costs? Please explain in as much detail as possible and provide evidence to support your views.

No

Please explain your answer here.:

We'd expect the costs to be split between the two commissioning authorities and the plant's own third party customers.

141 Do you believe that government should consider phasing in ETS obligations to the sector over time? If yes, please outline why, how, and to what extent phasing options could be provided.

Yes

Please explain your answer here.:

There are a number of major policy initiatives currently being developed or implemented in this space, including deposit return schemes, extended producer responsibility (mainly for packaging) and the waste framework directive, all of which impact on the future shape of waste collection services. We'd like to see those given a chance to bed in before the ETS is implemented.

142 Would operators of incineration/EfW plants be exposed to competitiveness impacts abroad and carbon leakage risk, in the event of being exposed to the carbon price? Please explain in as much detail as possible and provide evidence to support your views.

Yes

Please explain your answer here.:

Yes, but the Government could use legislation to prevent this, e.g. by preventing the export of materials

143 Have you identified any other distributional impacts (including wider environmental or social impacts) arising from this proposal?

Yes

Please explain your answer here.:

In the context of household waste, local authorities have no choice but to manage this waste and energy recovery is the least negative environmental option for non-recyclable or unsorted materials at this time, so to a great extent the implementation of ETS without any link to the actual waste producer does have an impact on the wider range of services local authorities provide.

Reducing emissions interactions with policies (Chapter 7)

144 What additional policies would be needed to support the UK ETS in decarbonising waste incineration and EfW? How would this change over time?

Enter your answer here.:

Greater use of extended producer responsibility, particularly for hard to collect materials or hard to recycle materials, and greater support for the reuse economy and waste prevention at source.

145 How would the expansion of the UK ETS to waste incineration and EfW interact with existing and planned policies in waste incineration, EfW, and waste management more broadly, as well as any other relevant non-decarbonisation policies?

Enter your answer here.:

No specific comments, although it should be noted that this policy is UK wide and in some of these areas the policy-making is devolved and distinctive across the UK so there is scope for disconnect to occur.

146 Are there other parts of the waste management system that should be included in the scope of the UK ETS? For example, landfill or wastewater. Please explain in as much detail as possible and provide evidence to support your views.

Not Answered

Please explain your answer here.:

No comments.