

# Response to Welsh Government consultation on a Clean Air Plan for Wales

10 March 2020

## About Energy UK

Energy UK is the trade association for the energy industry with over 100 members spanning every aspect of the energy sector – from established FTSE 100 companies right through to new, growing suppliers and generators, which now make up over half of our membership.

We represent the diverse nature of the UK's energy industry with our members delivering almost all (90%) of both the UK's power generation and energy supply for over 27 million UK homes as well as businesses.

The energy industry invests over £13.1bn annually, delivers around £85.6bn in economic activity through its supply chain and interaction with other sectors, and supports over 764,000 jobs in every corner of the country.

## Background

Energy UK welcomes the opportunity to respond to the Welsh Government's consultation on a Clean Air Plan for Wales. The consultation has a wide scope and our comments are focused on the aspects most relevant to electricity generation, namely those relating to the regulatory framework for emissions from Industry (Questions 31 to 35). However, we also note the broader context for power stations in supporting the decarbonisation transition and the need to ensure that there is a holistic approach across policy areas. Related to this, we also note the opportunity for electrification to improve air quality.

## General Comments

We welcome the recognition of the effectiveness of the regulatory framework provided by the Industrial Emissions Directive (IED) and its embedded requirement to apply Best Available Techniques (BAT) and, in the context of the UK's departure from the EU, the commitment to ensure continuity of this framework.

For the power sector, this strong regulatory framework, together with policy measures associated with decarbonisation, has proved effective in reducing emissions across the UK – for example, since 2010 NO<sub>x</sub> emissions from power stations have reduced by 60%<sup>1</sup>. The IED/BAT framework is comprehensive, in the sense that as well as applying stringent emission limits and monitoring requirements to releases from power station stacks it also contains provisions to ensure that Air Quality Standards are met at ground level.

Policy stability and clarity is of key importance for our sector, as this underpins investment decisions, asset planning and strategic decision-making for energy infrastructure; the power sector is characterised by large investments and long pay-back times. A perceived lack of stability in the regulatory framework has the potential to jeopardise investments. Stability in regulation is also particularly important in the broader context of the decarbonisation transition and the inherent

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<sup>1</sup> National Air Emissions Inventory data

uncertainty this brings in terms of energy market evolution. A holistic view needs to be taken on emissions regulation within the broader decarbonisation context.

BAT standards for Large Combustion Plant (LCP) were updated in August 2017 and the sector is working towards implementation of these by 2021. The legislative review cycle for BAT Conclusions is eight years and, while we welcome acknowledgement that preparations have been made to ensure a process will be in place for determining and continually improving BAT, we would not wish to see a revision of BAT ahead of this timescale; the sector has invested and undertaken asset planning on this basis.

Finally, we would also like to note that there is a single GB electricity market, and hence it is important that there is a “level playing field” across Wales, England and Scotland. From a decarbonisation and environmental perspective this is needed to ensure that the market is able to deploy the most efficient plant when needed, helping to ensure optimum overall environmental and economic outcomes.

**Q31. On which sectors, processes or areas should we focus our action to reduce public exposure to industrial emissions of air pollution?**

As noted above, in our view the existing regulatory framework provides a robust set of controls in terms of both applying stringent emission limits and provisions related to ensuring Air Quality Standards are met. However, in terms of reducing public exposure to air pollution, we note the potential co-benefits from electrification for air quality as well as for decarbonisation. This arises because the equivalent generation from the electricity system results in lower overall NO<sub>x</sub> emissions, and emissions from power stations are from stacks designed to disperse emissions away from population centres.

**Q32. Are there any specific legislative changes you think we should consider in order to tackle industrial emissions to air?**

We do not think any specific legislative changes are needed for large combustion plant as the existing framework is robust and has embedded requirements for BAT to be regularly reviewed and updated. As noted above, updated BAT standards are currently being implemented by power stations to ensure that the sector is meeting the best available standards for NO<sub>x</sub>, with little or no scope for further technically and economically feasible abatement.

Similarly, for smaller plant, legislative requirements have recently been introduced via the UK's implementation of the Medium Combustion Plant Directive and the Specified Generator Regulations and therefore it is not appropriate to consider changes at this time, noting the sector's requirement for regulatory stability.

**Q33. Are there any specific actions or measures with which we can encourage investment by industry to reduce air pollution?**

For the power sector, the broader context is the decarbonisation transition and this needs to be the primary focus. A holistic approach is needed to ensure that any measures to reduce air pollution do not have a negative impact on decarbonisation; both drivers need to be considered. Electrification provides an opportunity for a co-benefit of improved air quality alongside the decarbonisation benefits, and policies and measures are needed to promote this.

**Q34. Are there any novel or emerging approaches to reducing emissions to air from industry that you think we should consider?**

As described above, best available techniques for LCPs are set out in the LCP BAT Reference Document (BREF) published in August 2017. The LCP BREF also contains a section on emerging techniques.

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