

Environment (Wales) Bill - Part 4: Collection and Disposal of Waste

A consultation response from Wheelabrator Technologies Inc. (UK)

1. For your views on whether the Welsh Ministers need further powers to require that certain types of waste are collected, treated and transported separately?
2. Do you agree that non-domestic premises should be required to put their waste out for collection in line with any separation requirements set out by the Welsh Government?
3. Whether you agree that the Welsh Government needs wider powers to ban some recyclable waste from incineration?
4. What will the impacts of these waste proposals be for you or your organisation?
5. Are there other waste proposals that you think should be included in the Bill?

1. In respect of household waste - given the huge strides being made by Wales already and the ever increasing recycling rate currently being achieved, there is a case for *'if it isn't broken, don't fix it'*. Wales already leads the way in recycling in the UK with collection authorities up and down the country providing multi-material recycling schemes to householders without the need for the proposed powers.

It's also worth taking into account the forthcoming local authority mergers being proposed by the Minister of Public Services, Leighton Andrews AM, as part of the recommendations put forward by the Williams Commission. Paragraph 3.39 of Sir Paul Williams' report on *Public Service Governance and Delivery* points out that collection costs already vary greatly. We believe additional regulation in this area will increase costs across the board during a period when it would be more prudent to allow the newly-merged authorities to focus on streamlining and improving the best aspects of their combined collection services.

When considering commercial operators. There could be a cost increase that will have an overly onerous impact on small to medium sized enterprises (SMEs). The impact on small businesses to separate, store and source collection for multiple waste streams could lead to them becoming less competitive in their respective markets. Again, with commercial waste recycling rates as high as they currently are, it seems perverse to 'rock the boat' at this point. The risk is that this additional burden could have a counter-productive effect on recycling rates in this sector.

WTI is not a waste collector in the UK, but relies upon the waste collection industry to collect, sort and separate waste in order to provide a residual fuel to our facilities. This will apply in respect of Parc Adfer and it is therefore essential that the views expressed by the collection industry are clearly understood and listened to as their experience and knowledge will be key in determining what can and will work.

2. Any further regulation on collection would be difficult to enforce and potentially overly punitive on SMEs – some of which we will hope to have as future customers.

As noted above, the responses to this consultation by the collection industry must carry a heavy weighting when assessing any changes.

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3. The Environmental Permit regime already has control over restrictions on waste types to Energy from Waste (EfW) facilities and landfill. The lack of sufficient market infrastructure for contaminated recyclable waste included in mixed loads will ultimately mean a ban on EfW could lead to higher exports, more fly tipping and/or illegal activities. The fact that Welsh Ministers already have banning powers under existing legislation also serves to underline the lack of requirement for these proposals.

In 2013/14 the UK's top ten exporters of RDF alone shipped over 2m tonnes of British resources overseas, estimates for 2015 show that this tonnage is likely to exceed 3m. The cost to the UK was up to £192m in transportation, shipping and processing fees, with the loss of resource capable of powering over 312,000 British homes or circa 1.3% of the UK population. Non-recyclable waste collected from homes and businesses in Ceredigion and Pembrokeshire is already being sent overseas. This is only viable as a short-term solution. Over the longer term it would be more responsible – from both an economic and environmental perspective – to manage this resource within Wales. Exporting this resource means the opportunity to use it to increase recycling rates, generate low carbon energy and unlock the supply chain opportunities associated with both of these processes for Wales-based waste management businesses is ultimately lost.

By increasing the opportunities for export via these proposed powers, Welsh Government may discourage private sector investment in EfW infrastructure in Wales and actively encourage waste export. These are both issues which are not part of the Wales Waste Strategy. Knock on impacts would include limiting energy security, removing potential investment opportunities in co-location of facilities requiring heat, steam, power or other by-products, and reducing the generation of renewable energy. Wheelabrator has seen first-hand that the Deeside area needs investment, jobs and energy. Indeed, the planning process revealed overwhelming support for Parc Adfer from the business community, industry groups and the public who understood the economic and employment opportunities this scheme represents.

Outright bans often restrict capabilities to react to changes in market conditions, which ultimately dictate how society's resources are used. Overly prescriptive bans on generic material streams and prescriptive additional burdens on business are unhelpful to the sector and to Welsh businesses in this respect.

The proposed powers are based on a stated purpose which is premature and unnecessary. The stated purpose to: *'Ensure that valuable recyclable materials/resources are not burnt'* is not aligned to market realities. It assumes that listed materials always hold market value, which is currently inaccurate. It's also premature in that such materials are unlikely to be sent to EfW facilities given other economic and policy measures in place. If such materials arrived at an EfW facility, they would be highly unlikely to have any real value and would likely be contaminated anyway. Banning materials from landfill and EfW would leave them nowhere to go if they were contaminated and there was no available EfW capacity.

The materials list is too simplistic. There are many different types and grades of paper, plastic, card and wood. The markets, viability and practicability of recycling some grades will of course vary over time. If for instance, 'plastics' are banned, what would happen to those polymers that currently don't

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have a robust market? Stockpiling of such materials when markets are depressed is also unhelpful to further market development and stimulation. Further stimulus to recycled product markets and

recycling technologies should be applied before any enforcement to use these markets is implemented via the proposed powers.

Whilst measures to ensure that viably recyclable materials are not landfilled or used as fuel are laudable, the approach here is overly onerous on those parties with little or no influence on the presentation of material for landfilling or recovery. It is unclear as to the proposed level of risk and responsibility that would fall on operators, waste carriers/collection authorities and companies sending waste to EfW facilities. This is of particular concern to Wheelabrator given its position as Preferred Bidder for the North Wales Residual Waste Treatment Project (NWRWTP) contract.

If implemented, the proposals as they stand would also distort the market. Anaerobic digestion and biomass facilities do not seem to be covered by the same duty. Uncontaminated wood, paper or card is as undesirable - if not more undesirable - to an AD plant as it is to an EfW facility. Indeed previous studies have shown that energy recovery is the best environmental outcome for low grade paper and card and this is far more efficient via EfW than AD. In addition, uncontaminated wood is a key fuel of biomass facilities.

4. Impacts on our organisation could be extremely damaging. The ban on materials from EfW, when included as part of mixed loads, could deter commercial operators from using our services. Imposing systems by which they are required to separate materials before sending to our facility will be costly. Alternative waste management facilities exist in England and they will happily accept this material without these activities being required, saving the commercial operators money.

The introduction of this Bill at this time presents a particular issue for Wheelabrator given the current ongoing discussions with the NWRWTP. The Welsh Government risks appearing to be pulling in opposite directions by, on one hand letting a contract for a residual waste treatment facility and on the other, removing the ability for this facility to operate effectively. The current legislative framework in Wales provides a cap on EfW of 30 per cent by 2025, effectively reducing the fraction that is to be treated in this way to those materials best suited to EfW anyway. With the aspiration to go further to 0 per cent EfW by 2050, the proposed bans will only serve to complicate an already successful waste policy in action. The proposals show a lack of faith and/or impact assessment in existent policy measures.

It is understood that some of these points could be clarified via the proposed guidance, but a level of ambiguity and uncertainty is still likely to remain regarding interpretation, enforceability and implementation. Guidance for operators, collectors, waste authorities and regulators may not prevent unnecessary cost and bureaucracy for little or unproven environmental, social or economic benefit.

5. If these bans were linked to the R1 formula and only applied to facilities that did not demonstrate that they are recovery facilities and not disposal facilities, this could be more understandable and acceptable. Wales, as with the rest of the UK, has identified the scope for increased amounts of

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renewable energy generation from waste sources, utilising a combination of viable technologies. The potential to deliver combined heat and power schemes at EfW energy projects could also significantly add to overall energy efficiency and Wales could develop best practice examples if these are encouraged.

It should also be noted that provisions within the Environmental Permitting regime make more than adequate provision for the practicable prevention of recyclable materials being sent for energy recovery.

Going forward, the implementation of current policy will mean that landfill will only be required as a contingency outlet and for the disposal of truly residual materials of low or no calorific value and that cannot be physically reused or recycled. The proposals introduce additional cost, bureaucratic burden and uncertainty at a delicate investment point for vital infrastructure in Wales and the delivery of the Wales' Waste Strategy itself. There is a very real risk that the proposed powers will discourage investment in infrastructure, and put in jeopardy the accompanying jobs and economic and service benefits.

NB: *Wheelabrator Technologies Inc. would be very happy to discuss in detail the issues raised in this consultation response with Welsh Government and we would be happy to accept any opportunity to provide oral evidence to the Environment and Sustainability Committee in due course.*

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