

EXPLANATORY MEMORANDUM TO
The Pollution Prevention and Control (Industrial Emissions) (Amendment)
Regulations (Northern Ireland) 2014

SR 2014 No. 304

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of the Environment to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Article 4(1) of, and Schedule 1 to, the Environment (Northern Ireland) Order 2002 and is subject to the draft affirmative resolution procedure.

2. Purpose

- 2.1. The purpose of these regulations is to to transpose Article 14 paragraphs (5) to (9) of European Directive 2012/27/EU on energy efficiency (“The EED”) through amendments to the Pollution Prevention and Control (Industrial Emissions) Regulations (Northern Ireland) 2013 (“the PPC(IE) Regulations”). The EED establishes a common framework of measures, and lays down rules designed amongst other things to drive improvements in energy efficiency in industry. The regulations provides for a cost-benefit analysis (CBA) to be carried out in relation to measures for promoting energy efficiency in heating and cooling when certain new or refurbished installations are permitted. The requirement for the CBA ensures that all operators of appropriate installations, or prospective installations, conduct the CBA which they may not have done otherwise. This ensures that all opportunities for energy efficiency measures using high-efficiency cogeneration, recovering waste heat and connecting to a district heating and cooling network in new or substantially refurbished installations are identified and carried out.
- 2.2. In order to benefit business by having as much uniformity between Scots, English and Northern Ireland law as possible, the exemption thresholds and exclusions are also set out in the Statutory Rule in a manner that is consistent with other parts of the United Kingdom.
- 2.3. In addition to the transposition of Article 14 (5) to (9) of the EED, minor styling corrections of errors to the PPC(IE) Regulations have been dealt with.
- 2.4. The regulators, the Northern Ireland Environment Agency (NIEA) and the district councils, have been fully consulted on the transposition and minor corrections and helped to finalise the regulations.

3. Background

- 3.1. The PPC(IE) Regulations already regulate most of the installations affected by the requirement to carry out a CBA. However, an additional activity description has been added to Part C of section 1.1 of Schedule 1 to the PPC(IE) Regulations thereby requiring installations burning fuel or fuels

in a combination of boilers furnaces, turbines or compression ignition engines on the same site which, when added together have a net rated thermal input exceeding 20 megawatts and a rated thermal input less than 50 megawatts, which would not otherwise require a permit, to have a permit to operate.

4. Consultation

- 4.1. A public consultation was undertaken over an 8-week period ending on 7th April 2014. There were no objections to the policy.

5. Equality Impact

- 5.1. It is considered that the Statutory Rule will have no differential impact on any of the groups specified in section 75 of the Northern Ireland Act 1998.

6. Regulatory Impact

- 6.1. This will require the NIEA and district councils to have additional roles in ensuring that appropriate cost-benefit analyses are undertaken and that the results of the assessments are taken into consideration when permitting any activity covered by Article 14(5) of the EED.

7. Financial Implications

- 7.1. The benefits depend entirely on site-specific consideration and have not been quantified.
- 7.2. The costs, however, have been estimated. The net present value of costs over the 10-year period from June 2014 to June 2024 stand at £360,000 spread over an estimated 22 new or refurbished installations in Northern Ireland.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Statutory Rule does not discriminate on grounds of religious belief or political opinion nor does it modify the European Communities Act, the Human Rights Act 1998 or other statutory provisions listed in section 7 of the 1998 Act.

9. EU Implications

- 9.1. This transposes Article 14(5)-(9) of the Energy Efficiency Directive.

10. Parity or Replicatory Measure

- 10.1. These measures maintain parity with equivalent legislation in England Scotland and Wales as they transpose the same Directive. A working group was established to minimise any differences in the transposing measures to ensure a consistent approach.

11. Additional Information

- 11.1. Not applicable.