

Final Business and Regulatory Impact Assessment

Title of Proposal

Transposition of Article 14(5)-(8) of the Energy Efficiency Directive (2012/27/EU). A Final Business and Regulatory Impact Assessment (BRIA).

Purpose and intended effect

Background

The European Energy Efficiency Directive (EED) establishes a 'common framework of measures for the promotion of energy efficiency within Europe'.

The Scottish Government is responsible for transposing aspects of the EED which relate to devolved matters in Scotland, including efficiency in heating and cooling.

Articles 14(5)-(8) of the EED stipulate that Member States must ensure that after 05 June 2014 the operators of new or substantially refurbished¹ electricity generation installations, industrial installations and district heating and cooling installations with a thermal input capacity of above 20 megawatts (MW) must carry out a cost-benefit analysis (CBA) to assess the cost-effectiveness of using high-efficiency cogeneration, recovering waste heat and connecting to a district heating and cooling network. The EED allows for certain exemptions and the establishment of thresholds for the amount of available waste heat, the demand for heat or the distances between installations. Installations may also be exempt where the benefits do not exceed costs, including the administrative costs of the CBA itself.

In addition, the results of the CBA must be taken into account by the national authorities when providing consent for the operation of the installation. Where cost-effective opportunities for co-generation or utilising waste heat are identified in the CBA, a permit should only be granted where the operator of the installation takes such actions.

The CBA is to be undertaken at the installation level, unless exempted or excluded, and should be based on a financial analysis reflecting actual cash flow transactions (rather than wider economic and social implications). The analysis is the responsibility of the operator, including the directly incurred costs and administration resources. The national authorities, particularly the Scottish Environment Protection Agency (SEPA) as the regulator, is required to review the CBAs.

Objective

Energy efficiency is a key instrument in limiting climate change, reducing energy costs, improving energy security and supporting economic growth.

The legislation is designed to promote energy efficiency in heating and cooling through the identification of opportunities for using high-efficiency cogeneration, recovering waste heat and connecting to a district heating and cooling network in new and substantially refurbished installations.

In requiring operators to carry out a CBA, and making the authorisation of new and refurbished installations contingent upon the operator carrying out any cost effective

¹ EED defines substantially refurbished as spending of greater than 50% of cost of new plant.

measures identified, the legislation is designed to ensure that all such opportunities are identified and carried out.

The proposals are aligned with the Scottish Government's overall purpose in that they will help in the identification of opportunities for energy efficiency and sustainable economic growth, with specific reference to the following national outcomes:

- We live in well-designed, sustainable places where we are able to access the amenities and services we need, for example, by providing economically justifiable district heating and cooling networks.
- We value and enjoy our built and natural environment and protect and enhance it for future generations - by creating opportunities for the use of waste heat.
- We reduce the local and global environmental impact of our consumption and production through the use of energy efficient combustion, where appropriate.

National indicators that apply include:

- Improving Scotland's reputation in the field of energy efficiency.
- Helping to reduce Scotland's carbon footprint.

Rationale for Government intervention

The Scottish Government is responsible for transposing aspects of the EED which relate to devolved matters in Scotland, including efficiency in heating and cooling.

The European Commission introduced the EED as they have identified that market and regulatory failures will otherwise prevent the EU achieving its 20% energy savings objective target for 2020.

For instance, the Commission identify a number of barriers to uptake of cogeneration, including²:

- High transaction costs because of lengthy administrative procedures.
- Cogeneration introduces additional complexity compared to single generation, as different output is sold to different markets.
- There is a lack of liquidity in the heat market because of the limited customer base, which means if a customer is lost it can be hard to sell the heat elsewhere. This is considered to increase the investment risk and required rate of return.
- For district heating, the historic prevalence of individual heating solutions is suggested to be a cultural barrier to uptake.

The requirement for the CBA ensures that all operators of appropriate installations, or prospective installations, conduct the CBA which they may not have done so otherwise.

Similarly, where cost effective measures are identified, the intervention ensures that for the project to be authorised the measures must be acted upon. This may not have been the case in the absence of legislation, even where it was identified as financially beneficial to the operators involved.

The intention is that all energy saving options are considered and opportunities are not missed, improving the ability of Member States to meet the energy savings target

² Commission impact assessment available at: http://ec.europa.eu/energy/efficiency/eed/eed_en.htm, accessed December 2013

Consultation

Within Government

We have consulted with Heat Policy, Energy Consents, Planning and Analytical colleagues to identify and progress Pollution, Prevention & Control Regulations (PPC) as the most appropriate route for transposition of the Directive. These proposals were circulated to the Enterprise, Environment & Digital, Finance, Governance and Communities and Strategy and External Affairs Directorate. The Scottish Government and SEPA have participated in the EED UK Transposition Group with DECC and Defra. Legal advice has been sought in preparation of the draft regulations and consultation. Scottish Government Economic Advisors have been consulted on the production of both the partial and final BRIA.

Public Consultation

Initial discussions took place with the Expert Commission on District Heating. A report was prepared by SEPA as one of the recommendations from the Commission, on power to regulate the use of heat. The report covered potential future regulation under Article 14 and was presented to the Commission in October 2013.

Full public consultation on the transposition of Article 14(5)-(8) using the PPC Regulations took place between January and April 2014. Scotland was the only part of the UK to conduct a 12 week consultation. Thirteen responses were received in total. These came from businesses, as well as professional and trade body associations. The overall response indicated support for the use of PPC to transpose Article 14(5)-(8) of the EED in Scotland, with most points of concern relating to the exemption thresholds and the consideration of site specific factors. The Scottish Government has responded to these concerns in the consultation analysis report, to be published on the Scottish Government website. There were minimal comments received during the consultation with regard to the partial BRIA. Following advice received from Scottish Government Economic Advisers, these comments do not require the partial BRIA to be amended and instead they will feed into wider policy proposals and for consideration for inclusion in SEPA's associated guidance on implementation.

The Heat Network Partnership, made up of Scottish Government agencies and a wider stakeholder group including COSLA, Heat and the City, and the Combined Heat & Power Association (CHPA), has been informed of the requirements of the Article 14 (5)-(8).

Business

Informal discussion has taken place with the Scotch Whisky Association and Defra has been keeping its UK stakeholder groups advised of developments on transposition of Article 14(5)-(8). This group include trade bodies and businesses that represent UK interests.

In addition to the written consultation process, the Scottish Government participated in SEPA's PPC Users Group meeting in February 2014, and two stakeholder events chaired by Resource Efficient Scotland on the Scottish Government's proposals for transposition of Article 14(5)-(8) and the wider Heat Generation Policy Statement in Glasgow and Perth in March and April 2014. The events were attended by trade associations, developers, operators and other representative bodies. It is estimated that around seventy stakeholders and fifteen PPC User group members were in attendance.

Options

- Option 0: Do nothing

Not transposing the requirements of Article 14 (5)-(8) would put the UK at risk of infraction which can result in significant fines in the European Court of Justice.

While in practice there is no option of not introducing the requirements, a baseline of not transposing the requirements in Articles 14 (5)-(8) is established in order to assess the incremental impact of the 'do minimum' option.

- Option 1: 'Do minimum' option

The Scottish Government is required to transpose the relevant articles of the EED into Scottish legislation. As such, this can be considered the 'do minimum' option. This option assumes the requirements are transposed without any elaboration or additional requirements and that Scottish Government will ensure exemptions and exclusions are set out.

Under this option, operators would be required to carry out CBAs, unless exempted or excluded from the requirement to do so. SEPA is proposed as being responsible for reviewing and auditing them.

- No other options are considered.

Sectors and groups affected

Electricity generation, industry, and district-heating

The transposition of the legislation will predominantly impact upon operators of planned new installations and those which plan to substantially refurbish an existing installation which is not exempt from the requirements. A CBA for any new district heating and cooling network is also required by Article 14.

Third parties may be indirectly impacted by requirements to undertake the CBA, for instance if it leads to a change in location or the decision whether or not to operate a new installation or undertake refurbishment.

National authorities

The national regulatory authority, SEPA, will be required to review and assess the CBAs submitted by the operators to ensure they meet the required standards as set out in the legislation.

Number of impacted installations

Article 14(5) of EED applies to all new and substantially refurbished thermal electricity generation installations and industrial installations with a total thermal input exceeding 20MW. This is the same threshold for activities which need to register with the EU-ETS.

There are currently 98 activities registered with the EU-ETS in Scotland. Over half of these installations (50) also hold PPC permits.

The requirements from Article 14 (5)-(8) of the EED are being transposed via the PPC

Regulations. An additional 48 sites therefore could potentially be brought under control.

However, these existing sites will not be required to conduct a CBA, and instead will only require a permit if and when a new installation comes into operation or when one is substantially refurbished and the use of the waste heat is economically justified by the CBA.

Anticipated number of new or substantially refurbished installations

The number and size of new and substantially refurbished installations over the period 2014-2024 is highly uncertain, particularly across industrial sectors.

Given the inherent uncertainty, two methods are used to estimate the number of new and refurbished plants anticipated in the period 2014 – 24, giving a range of potential impacted installations.

➤ *Method 1 (high): AMEC analysis for Defra Impact Assessment*

AMEC have produced estimates for the anticipated number of affected installations at the UK level between the period of 2014-24 for their Impact Assessment of Article 14(5)-(8) of the EED for Defra.

These estimates are based on the current number of installations in the UK broken down by size and installation type, DECC forecasts on future installations and growth in energy production, and estimates of the turnover of plants.

Applying the ratio of final energy consumption in Scotland as a percentage of UK energy consumption (10.56%) to the estimates of anticipated UK installations can provide an estimate of the expected number of Scottish installations over the period between 2014-24. This is shown in Table 1 below, with an estimated total of 75 new or substantially refurbished plants over the period.

Table 1: Estimated number of new and refurbished plants in Scotland over 2014-2024 (Method 1 – AMEC)

Capacity (MW_{th})	Thermal – electricity generation	Thermal – industrial	District heating and cooling	Total
20-50	15	13	13	41
50-300	7	13	3	23
>300	7	1	3	11
Total	29	27	19	75

On top of the assumptions used in the AMEC analysis, this method for estimating anticipated Scottish installations also assumes that installations are spread across the UK based on the proportion of final energy consumption, and that the sizes and types of installations, and their average age and turnover, are the same in Scotland as the UK as a whole.

➤ *Method 2 (low): Historical trend in EU-ETS permits and SEPA forecast*

In Scotland, the EU-ETS has had approximately one new entry per year in the recent past. Assuming that this trend will continue, SEPA have suggested that with the inclusion of

substantial refurbishments they expect that around 2 - 3 installations per year in Scotland will have to go through the Article 14(5)-(8) requirements of conducting a CBA.

Over the ten year period, this would equate to up to 30 new or substantially refurbished installations. Assuming the same breakdown between size and type of plant as 'Method 1', this would provide an anticipated number and breakdown of installations as shown in Table 2.

Table 2: Estimated number of new and refurbished plants in Scotland over 2014-2024 (Method 2 – EU-ETS/SEPA)

Capacity (MW _{th})	Thermal – electricity generation	Thermal – industrial	District heating and cooling	Total
20-50	6	5	5	16
50-300	3	5	1	9
>300	3	0	1	4
Total	12	11	8	30

Benefits

The benefits realised will be specific to the individual installations and dependent upon the results of the CBA and any resulting action taken because of it.

As such, the benefits are not monetised in this impact assessment. The potential benefits are however discussed further below.

Direct benefits to operator

Through acquiring information on the costs and benefits of high efficiency cogeneration or waste heat recovery, operators of newly planned or refurbished installations which fall under the regulations will base investment decisions on the most appropriate information for making optimal investment choices.

Under the requirements of the EED, operators will also be required to carry out any identified cost-effective opportunities to be granted authorisation.

Wider social, economic and environmental benefits

Beyond the direct benefits to the operators, increased energy efficiency through cogeneration and waste heat recovery will lead to wider benefits in terms of decreased greenhouse gas and other harmful emissions, increased energy security, and lower energy prices.

Note: It is unknown how many operators would have carried out the CBA through their own accord, or what thresholds they would use before proceeding with measures identified.

Costs

The primary costs as a result of the requirements will be the costs to the operators of new or substantially refurbished plants in conducting the CBA, and the costs to the regulators of reviewing and assessing the findings.

Cost of compliance

Costs to operator of carrying out CBA

The key impact of Article 14(5)-(8) in terms of costs are those incurred by the operators in conducting a CBA. This is likely to consist of consultancy costs (contractors to conduct the CBA on behalf of operators) and the operators own costs in commissioning and assisting with the analysis.

The cost estimates for conducting a CBA are based on AMEC's Impact Assessment of Article 14(5)-(8) of the EED prepared for Defra. These are shown in Table 3 below, with the mid-point taken for a central Scottish forecast. Officials concur these estimates appear reasonable based on experience of procuring consultancy work.

It is assumed that the cost increases with the size of the installation, but the costs are assumed to remain the same for new plants and substantial refurbishments, and for different categories (e.g. electricity generation, industry, and district heating and cooling).

Table 3: Assumed Costs of Cost-Benefit Analysis (£ per installation)

Capacity (MW _{th})	Central estimate
20-50	17,500
50-300	22,500
>300	30,000

Administrative burden – Operator

The operator will use time and resources in engaging with the consultants carrying out the CBA, preparing information for the CBA, reviewing and submitting the CBA to the regulators.

AMEC's Impact Assessment of Article 14(5)-(8) of the EED prepared for Defra is used as the basis for the time and cost estimates of the operator's administrative burden.

In the AMEC work, operator time is given as a range of hours of administration. The mid-point of these ranges has been used to produce a central estimate for Scotland.

Operator costs are assumed to be £26 per hour. This is based on the 2012 gross median Scottish wage for the category 112 Production Manager from the ONS's Annual Survey of Hours and Earnings, inflated to 2013 prices using GDP deflators and adding 30% for the addition of non-wage costs.

Table 4 overleaf summaries the estimated administrative burden for the operator across different installation sizes.

Administrative burden – Regulator

There will be an administrative burden for the regulator, SEPA, in reviewing and auditing the CBAs submitted to ensure they meet the appropriate standards. SEPA will also be responsible for assessing the findings in the context of its criteria for authorising and granting permits.

As with the operator burden, the regulator time is taken as the mid-point of the time range estimated in the AMEC work. SEPA confirm these estimates appear appropriate for the larger installations based on their experience of carrying out audits of heat plans required by Thermal Treatment of Waste Guidelines. However, SEPA note that simple screening of CBAs would require less time.

Regulator costs of £62 per hour have been provided by SEPA. These are based on a Band D Officer (Senior Policy Officer/Specialist 2), and include non-wage costs.

Table 4: Assumed Administrative Burden of a CBA (per installation)

Capacity (MW _{th})	Operator time (hours)	Operator cost (£)	Regulator time (hours)	Regulator cost (£)
20-50	21	546	28	1,736
50-300	21	546	28	1,736
>300	28	728	36.5	2,232

Summary of costs

Table 5 presents a summary of the costs totalled over the 10 year period between June 2014-and June 2024. A central estimate of the total present value, which is simply the midpoint of the low and high scenarios, is presented.

Costs have been discounted by 3.5% (HM Treasury Green Book), and it is assumed that the CBAs are spread evenly over the period.

Table 5: Net present value of costs 2014-24 (2013 prices, £m)

Capacity (MW _{th})	Operator Cost (PV)			Regulator Cost (PV)			Total Costs (PV)		
	Low (£m)	Central (£m)	High (£m)	Low (£m)	Central (£m)	High (£m)	Low (£m)	Central (£m)	High (£m)
20-50	0.20	0.42	0.64	0.02	0.04	0.06	0.22	0.46	0.70
50-300	0.15	0.305	0.46	0.01	0.02	0.03	0.16	0.325	0.49
>300	0.09	0.19	0.29	0.01	0.015	0.02	0.10	0.205	0.31
Total	0.44	0.91	1.38	0.04	0.08	0.12	0.48	0.99	1.50

The central estimate is that the requirements of Article 14 (5)-(8) have a total present value cost of approximately £1million over the 10 year period between 2014-2024. The present value cost to business is over £900k, and around £80k to the regulator, SEPA.

Scottish Firms Impact Test

Further engagement was held with SEPA's PPC Users Group in February 2014. This group is comprised of regulated business, trade bodies, SEPA and the Scottish Government. A joint letter was issued by SEPA, with input from the Scottish Government, to companies registered on the EU-ETS to flag up the new requirements.

Details of the consultation were circulated to the Heat Network Partnership which is made up of Resource Efficient Scotland, the Energy Saving Trust, Scottish Enterprise, Scottish European Green Energy Centre (SEGEC), Scottish Futures Trust and Scottish Government. In addition, the consultation was sent to the Partnership Stakeholder Group which includes COSLA, SEPA and Heat and the City who coordinate the Local Authority District Heating Vanguard Network and finally, the CHPA, so that relevant stakeholders were made aware.

The consultation period overlapped with the Scottish Government's consultation on the Draft Heat Generation Policy Statement and joint stakeholder events were held in Glasgow and Perth in March and April 2014 to raise awareness of and to discuss the proposals.

In response to the consultation processes, only two respondents made further comment to the partial BRIA. On the advice from Scottish Government Economic Advisors, the majority of comments did not concern the actual methodology used in the BRIA itself, but rather the actual policy requirements in terms of businesses carrying out a CBA (and predominantly what cost of capital should be used). Only one respondent made comments specifically about the partial BRIA regarding:

- I. The understated cost of the CBA;
- II. The lack of identifying downtime costs incurred by delays in development and agreement of the CBA with regulators before granting a new or revised permit.
- III. The adequate consideration of the competitiveness impacts on UK industry and the associated competitiveness proofing requirements under both the existing EU impact assessment and fitness check methodologies.
- IV. The lack of quantification of the costs associated with projects justified by the CBA, where CBA methodology is critical in assessing whether a project is justified and necessitate revision of environmental permit conditions to require investment within a defined timescale.

The respondent did not provide more details on what they believed the actual cost of a CBA would be, and as such the Scottish Government is unable to take this comment forward. In terms of downtime costs, the proposals should not lead to greater delays than the base case given that installations which fall under the requirements would already be required to apply for a permit, provided that the CBA is carried out an appropriate stage in the process. The competition assessment of the partial BRIA outlined the impacts of competitiveness on UK industry; all EU Member States will face the same competition implications, which have been identified as relatively minor in the greater returns to investment of projects. The lack of quantification of costs was felt by the Scottish Government to concern the requirements of the Directive, rather than the BRIA.

Following advice received from Scottish Government Economic Advisers, these comments do not require the partial BRIA to be amended and instead they will feed into wider policy proposals and for consideration for inclusion in SEPA's associated guidance on implementation.

Competition Assessment

Impact on the competitiveness of Scottish companies

It is not expected that the requirements will impose a disproportionate restriction on competition for Scottish businesses. The requirements of Article 14 (5)-(8) of the EED apply to all countries in the European Union, and therefore the burden on businesses will fall equally across all countries in the European Union, including across the UK.

The Scottish heat map could prove a valuable resource to operators/contractors conducting a CBA in Scotland, offering a competitive advantage by reducing compliance costs. It would assist in the identification of potential sources for waste heat and opportunities for cogeneration.

Number and type of business impacted

The number and size of new and substantially refurbished installations over the period 2014-2024 is highly uncertain, particularly across industrial sectors.

Based on the current composition of the existing stock of relevant installations in the UK, the key sectors which are likely to be affected include the Electricity Supply Industry, Iron and Steel, Petroleum Refineries and other industrial sectors, including non-ferrous metals, chemical, food and drink, pulp and paper production etc.

Competition assessment filter questions

To identify the possible restrictions on competition in the identified markets resulting from the requirements in Article 14 (5)-(8), the following four filter questions are addressed –

- Will the proposal directly limit the number or range of suppliers?

No. The requirements to carry out a CBA are not designed to directly limit the number or range of suppliers. For instance, it does not award exclusive rights or create closed procurement programmes.

- Will the proposal indirectly limit the number or range of suppliers?

No. The requirements are unlikely to impact indirectly on the number and range of suppliers. Although regulatory burden impacts disproportionately on smaller businesses, the relatively low costs involved of carrying out a CBA means it should not create barriers to competition.

- Will the proposal limit the ability of suppliers to compete?

No. It will not reduce the channels suppliers can use or geographic area they can operate in. The purpose of the CBA is to provide the best information so operators do not make sub-optimal decisions. Such information should improve the ability of suppliers to compete in the long-run, through identifying cost effective cogeneration and waste heat recovery opportunities.

- Will the proposal reduce suppliers' incentives to compete vigorously?

No. The proposals do not incentivise uncompetitive behaviour, for instance through

encouraging companies to exchange information on prices and costs which could be used in an uncompetitive manner. Furthermore, the requirements ensure that the best information is available to all companies, therefore establishing a level-playing field in the market.

Impact on small businesses

Although the majority of firms in the impacted sectors identified in the CBA are Micro (0-9 employees) and small businesses (10-49 employees) it is unlikely that these firms will be plant operators of installations with a capacity of over 20MW in the electricity generation sector.

While there is a possibility of there being combustion plants between 20MW and 50MW in the industrial sector which are operated by small businesses, the costs of conducting a CBA are unlikely to have a significant impact relative to the overall investment costs.

The Defra Impact Assessment for the UK used information on gross operating surplus (GOS) from Eurostat to compare the capital available to finance investments with the overall costs to business of conducting a CBA. The results found that even in the case of small enterprises, the expected annual costs of meeting the requirements is negligible in comparison to the GOS (averaging around 0.03% and 0.7% of the average GOS per enterprise in the relevant sectors).

Test run of business forms

The PPC Regulations were first introduced in 2000 but were revoked and remade, with modifications, in 2012 so as to transpose the Industrial Emissions Directive (2010/75/EU). SEPA continues to be responsible for implementing these Regulations and has existing forms and guidance that is familiar to industry.

Guidance will be developed by SEPA to explain how the Article 14(5)-(8) provisions will be implemented and to help new businesses to comply.

Legal Aid Impact Test

It is not envisaged that there will be any greater demands placed on the legal system by this proposal. Accordingly, it is not considered that there will be any effect on individuals' right of access to justice through availability of legal aid or possible expenditure from the legal aid fund. The Scottish Government's Access to Justice Team have considered this document and are in agreement with this view.

Enforcement, sanctions and monitoring

The regulation and enforcement of Article 14(5)-(8) will be integrated into the PPC Regulations and businesses currently permitted under this environmental legislation will already be familiar with SEPA's approach and their published Enforcement Policy. New activities affected by the EED only provisions will be provided with guidance by SEPA.

The full consultation document provided details on the circumstances requiring a CBA to be submitted, and the Scottish Government will work together with SEPA to ensure appropriate accompanying guidance is developed and issued to operators.

The costs of monitoring the requirements are assumed to be part of wider monitoring and enforcement costs, and therefore are not considered in this impact assessment.

Implementation and delivery plan

We wish to ensure our proposals for the transposition of Article 14(5)-(8) of the EDD into the PPC regulations goes as smoothly as possible, avoiding any negative impact on operators. The Directive requires that installations must carry out the cost-benefit analysis referred to in Article 14(5) after 5 June 2014. While the transposition of Article 14(5)-(8) into the PPC Regulations concludes, SEPA will continue to work with any operators during the permit applications process who may be affected by the Article 14(5) requirements of their legal obligations regarding the CBA. The Scottish Government and SEPA are continuing discussions with regards to finalising the wider guidance relating to Article 14(5)-(8); this will be published soon.

The Scottish Government is working with SEPA to finalise Scotland's heat map tool which will help to inform and support the CBA processes. In order to improve the accuracy of the heat map data for users having to comply with Article 14(5) of the EED and for other purposes, a separate consultation is planned by SEPA to discuss how best to encourage organisations to provide additional data through the PPC Regulations via the Scottish Pollutant Release Inventory (SPRI) with as little burden as possible.

Post-implementation review

There are existing forums for industry, regulators and the Scottish Government to interact and discuss the implementation of Article 14(5)-(8). Furthermore, SG will be part of the strategic implementation group at a UK level along with DEFRA and the Environment Agency at which issues for consistency can be raised. Progress on implementing the requirements of the EED will be kept under review as part of the Scottish Government's delivery of its Heat Generation Policy Statement, which also involves developers, regulators and other organisations with an interest in heat generation and use.

In addition, Article 14(1) requires Member States to carry out and notify to the Commission a comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling by 31 December 2015. The Scottish Government will liaise with the UK Government, who are co-ordinating the Member State response to the Commission, in order to share Scotland's post-implementation review.

Summary and recommendation

Option 1, the 'do minimum' option of transposing the requirements of Article 14(5)-(8) of the EED without gold-plating, and for SEPA to be responsible for auditing all CBAs, is being recommended. The Directive must be transposed to avoid the risk of infringement.

Summary costs and benefits table

Table 6: Cost of preferred option

	Central estimate
Total net present value	-£0.99 million
Business net present value	-£0.91 million

Declaration and publication

I have read the Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:**Date:**

Paul Wheelhouse
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