

North Yorkshire County Council
Business and Environmental Services

Executive Members

27 May 2022

HM Government consultation on developing the UK Emissions Trading Scheme

Report of the Assistant Director – Travel, Environmental and Countryside Services

1.0 Purpose of Report

- 1.1 To inform the Corporate Director Business and Environmental Services (BES) and BES Executive Members of the Government consultation on developing the UK Emissions Trading Scheme (UK ETS).
- 1.2 To seek approval for the response to the above consultation (included as Appendix A) on behalf of the County Council to be submitted to UK Government.

2.0 Executive Summary

- 2.1 The UK Government, Scottish Government, Welsh Government and Northern Ireland Executive are committed to meeting ambitious targets to reduce greenhouse gas emissions from across the UK economy. The Net Zero Strategy published in 2021 sets out policies and proposals for decarbonising all sectors of the UK economy to meet net zero targets by 2050.
- 2.2 The UK ETS, introduced January 2021 following BREXIT, is a cap and trade scheme with an annual reduction in the allowances cap to assist with achieving the UKs decarbonisation targets. The UK ETS currently applies to energy intensive industries, the power generation sector and aviation.
- 2.3 The consultation document sets out the scale and pace of decarbonisation needed to achieve these targets, including a call for evidence as to whether the scope of the UK ETS is extended to include waste incineration and Energy from Waste (EfW) plants, including facilities such as Allerton Waste Recovery Park (AWRP). The closing date for the consultation response is 17 June 2022. Draft responses to the consultation are included as Appendix A of this report.

3.0 Key Implications of the Consultation

- 3.1 EfW is less carbon intense when compared to landfill. In 2019, EfW plants emitted 6.2MtCO₂e representing ~1% of total UK emissions (landfills emitted 14.2MtCO₂e). If heat from the EfW process is utilised, EfW is an even better option. All governments across the UK have policies in place to reduce the amount of waste produced, increase recycling and reduce the amount of residual waste sent for treatment. Whilst this will alter the composition of waste entering landfill or EfW in the future, we need further improvements to achieve the net zero target.

- 3.2 The proposed changes to the UK ETS may help raise the efficiency of conventional EfW plants by incentivising more plants to supply heat (i.e. heat offtake), promote pre-treatment of waste before it is incinerated to reduce fossil¹ plastic in the waste stream, or incentivise investment into Carbon Capture and Storage (CCS) to reduce CO2 emissions.
- 3.3 The current UK ETS proposals include some free allocation of carbon allowances to try and mitigate the risk of carbon leakage (displacing greenhouse gas emissions to other sectors or geographical areas such as sending material overseas to be managed). The consultation is considering a phased approach to managing the free allocation scheme.
- 3.4 Carbon allowances are traded fortnightly on the marketplace. The following graph shows the price volatility between July 2021 and March 2022.



Figure 1 – Carbon prices Jul 21 – Mar 22

- 3.5 The carbon costs from the auction on 6th April 2022 were £69.37/tonne. Indicative figures below show the potential cost of carbon emissions under the UK ETS. AWRP is expected to process just over 278,000 tonnes of Contract Waste in 2022-23, which could mean an increase of over £8.6m (shared 79:21 between NYCC and CYC) on gate fees per annum (using 6th April auction prices) if EfWs were included in the UK ETS.

Parameter	Value	Reference/comment
CO2 emission/tonne of residual waste	0.934	Tolvik UK EFW stats (will vary depending on waste composition)
% fossil component	47.90%	WRAP 2017 composition figures
Fossil co2 emission/tonne residual waste	0.447	

£/tonne CO2	£69.37	Traded price 6.4.2022
Cost/tonne	£31.04	Cost added to gate fee @ EFW

Table 1. Indicative carbon cost/tonne – provided by WIDP 28 April 2022

¹ Some waste materials, including plastics, are made from fossil fuels (such as oil) and the carbon stored in them is known as ‘fossil carbon’. It is important to understand if carbon in waste is biogenic or fossil in origin as they are accounted for differently in terms of their contribution to global emissions.

- 3.6 The proposed key responses to the UK ETS consultation are:
- Implementation of the proposals in mid to late 2020's does not recognise that EfW feedstock will be changing at the same time due to major reforms such as Extended Producer Responsibility, Deposit Return Scheme, Consistency of Collections, and the Plastic Tax scheme.
 - Local authorities with long term contracts will need to assess any potential contractual and financial impact, in particular, whether the change would result in a Qualifying Change in Law. If so, the operator will seek to pass these costs onto LAs. Increased gate fees may make EfW facilities uncompetitive in the market place and impact overall revenues generated. It is not clear whether there will be new burden funding to support the UK ETS.
 - The Council supports the goal of decarbonisation and moving towards net zero carbon, however there is a lack of detail in the consultation around how expanding the scope of the UK ETS to include EfW facilities will work in practice and how unintended consequences such as driving more material to landfill/export will be avoided.
 - Carbon pricing could incentivise waste operators and/or LAs to invest in Carbon Capture, Usage and Storage (CCU&S) infrastructure and/ or heat offtake, to reduce fossil carbon emissions. Government support for first of a kind CCU&S at EfW facilities is to be welcomed, as is deployment at power stations. However, a strategic view of the investment required could be undertaken at an early stage, to ensure that carbon capture on a regional basis rather than from a particular facility derives maximum benefit from decarbonising technology.

4.0 Financial Implications

- 4.1 There are no financial implications for NYCC arising specifically from responding to the consultation.
- 4.2 The Financial implications for NYCC of the proposed changes are not able to be quantified at this stage as further detail is awaited as set out in the report but are likely to be significant. It is expected that the proposed changes would lead to increased costs for AWRP as operators of the facility. These costs may then be passed on to the Authority through the Change in Law provisions within the Waste PPP contract. Additional funding may be available to cover some of the additional costs but at this time this is also unknown. AWRP currently processes third party waste and there is no clear mechanism around how the costs of carbon for Local Authority generated Contract Waste would be separately calculated and charged vs that of third party material.
- 4.3 Increased third party gate fees to cover fossil carbon costs could make the facility uncompetitive in the market. This has the potential to impact overall third party revenues generated under the contract, which, providing that certain thresholds are met, the Authority would receive a share of under the current contractual arrangements.
- 4.4 A further report will be brought to Members setting out the financial implications for the Authority once more information is known.

4.5 The UK Governments have committed to various fiscal and policy support for decarbonisation including a £315m Industrial Energy Transformation Fund. The Government will continue to review whether the funding streams are sufficient to support decarbonisation of the UK ETS sectors including whether there may be any new burden funding available to Local Authorities for the effects of implementing the UK ETS for EfWs.

5.0 Legal Implications

5.1 A number of proposals for the UK ETS are being considered in the consultation. Once the Government has published the response to the consultation/call for evidence, NYCC/CYC will undertake a detailed review of the legal implications of any changes required for the AWRP contract.

5.2 There could be significant contractual and operational impacts for the AWRP contract because of the inclusion of EfW in the UK ETS. Some of the areas of consideration include:

- Whether the changes proposed under the UK ETS could be considered as a Qualifying Change in Law which was not foreseeable at the time of Financial Close (October 2014). Changes to the AWRP contract would require engagement with external financial, legal and technical advisors and depending upon the scale and timeframe of the change, these costs could be significant.
- Reporting requirements and Environmental Permit – it is not clear whether any variations to the Environmental Permit would be required for AWRP and what the monitoring, reporting and verification obligations of the UK ETS would be.

6.0 Equalities Implications

6.1 The proposals are part of a consultation exercise and there is insufficient information on which to base an Equalities Impact Assessment. It is unlikely that any proposed changes to the UK ETS would have equalities impacts in the future.

7.0 Climate Change Implications

7.1 A Climate Change Impact Assessment has been completed (at appendix 2 of the report), and concluded that the inclusion of EFw in the UK ETS could help the UK achieve its decarbonisation targets, however, a detailed assessment on the contractual and operational implications for AWRP would need to be undertaken once more detail is available from the Government.

8.0 Conclusion

8.1 NYCC is supportive of decarbonisation of the economy overall, however there are currently a number of policies and consultations which will materially impact the waste collection and treatment/disposal regimes implemented by Local Authorities.

8.2 It is proposed that through the consultation responses we raise concerns that further detail of implementation of the Resources & Waste Strategy consultations are required from government prior to timeframes for a UK ETS including EfW being considered. Implementation of levers such as the Extended Producer Responsibility Scheme and plastic tax should help drive out our reliance on fossil-based plastics and enable more material to be move up the waste hierarchy.

9.0 Recommendations

- 9.1 It is recommended that the Corporate Director Business and Environmental Services (BES) and BES Executive Members consider the issues raised by the 'Developing the UK Emissions Trading Scheme' consultation.
- 9.2 It is recommended that the Corporate Director BES in consultation with BES Executive Members approve the attached responses to the above consultations on behalf of the County Council to be submitted to UK Government.

MICHAEL LEAH

Assistant Director – Travel, Environmental and Countryside Services

Authors of Report:

Peter Jeffreys – Head of Waste

Lisa Cooper – Commercial Manager, Waste

Background documents: None

ETS consultation questions & draft responses

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

No, timing of the UK ETS needs to be reconsidered to enable implementation of changes to the Environment Act relating to the DRS, EPR and Consistency consultations as these will have significant impacts on EfW feedstock and fossil carbon in the future.

The timing of the consultation and proposed implementation also needs to be reviewed to ensure it does not conflict with other policies and developments such as heat offtake and CCUS projects.

It is not clear whether full net cost recovery of EPR would cover the costs of carbon trading that will be introduced through the UK ETS. The plastics tax needs to work to drive out the fossil plastic used by producers rather than pushing end disposal costs to Local Authorities and Council tax payers (polluter pays principle)

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.

LAs with long term contracts would have to assess any potential contractual and financial impacts of the ETS, in particular, is there a Qualifying Change in Law? If so, the operator would pass these costs onto LAs. Increased gate fees may make EfW facilities uncompetitive in the market place and impact overall revenues generated. LAs may be liable for the contractor's lost Third Party Income and may miss out on income sharing if carbon costs are prohibitive. It is not clear whether there will be new burden funding to support the UK ETS, for example, who will bear the cost of any more onerous waste sampling/monitoring/reporting requirements as a result of the ETS.

The detail of how the scheme will be implemented is not currently clear. Will there be a number of applications per Authority area, or per EFW facility and who is responsible for buying/trading of the allowances (the Local Authority or Contractor)? The consultation does not specify how allowances will be allocated for facilities that treat local authority and third party material.

The implementation of the other Environment Act changes will impact waste composition and volumes and we require time to understand the potential impacts of an ETS for EFWs. Some contracts may be at risk of being unable to meet Guaranteed Minimum Tonnages requirements under their contracts. LAs may need to undertake more thorough waste composition analysis to understand the biogenic and fossil fuel content of input material to the EFW to determine what level of allowances may be required for the facility.

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

No, whilst we support the goal of decarbonisation and moving towards net zero carbon, there is a lack of detail in the consultation around how expanding the scope of the UK ETS to include EfW facilities will work in practice and how unintended consequences such as driving more material to landfill/export will be avoided.

127) Do you agree that all types of waste incinerators should be included in the UK ETS? (Y/N) 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.

No, where incineration is required to destroy harmful pathogens e.g. hazardous healthcare waste, this activity should be exempt from the ETS.

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

Yes unless it can be demonstrated that ATT are unable to be modified like conventional incinerator plants.

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? (Y/N) Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes, however this may amount to a Qualifying Change in Law under long term waste contracts, LA's would need to assess the potential costs and wider contractual impacts of how this obligation would be delivered (i.e would Authority Notices of Change also be required amending KPIs and contractual reporting requirements).

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? (Y/N) Please outline your reasoning in as much detail as possible and provide evidence to support your views.

No, the obligation for meeting compliance obligations should be placed on the plant operators, who are best placed to demonstrate compliance by being responsible for MRV. The cost of meeting monitoring, reporting and verification obligations or paying a carbon price according to greenhouse gas emissions generated from LA waste is very likely to be passed onto to Local Authorities through QCiL clauses embedded in long term contracts.

Contractual payment mechanisms would need revisiting and monthly/annual payment and reporting processes may need to be amended.

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? (Y/N) Please provide details including, where relevant, whether your organisation is likely to be eligible for these schemes based on current rules.

Yes if the incinerator meets the same requirements as the Small and Ultra Small Emitter parameters.

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

i) If Option A, please provide your views on which methods could be used, along with any information on the practicality of their implementation and likely costs.

ii) If Option B, please provide your views on how these emissions factors should be calculated, along with any information on the practicality of implementation and likely costs.

In your answer, please outline how frequently fossil emissions should be monitored under both options and consider whether there are other suitable MRV options that we have not identified.

Option B – most Local Authorities will be collecting broadly the same materials through the consistency in collections obligations so material inputs/plant feedstock should be more uniform. This option is also likely to be less costly than individual plant monitoring. Biogenic fossil emissions are affected by the organic of waste, which is seasonal. Twice yearly monitoring seems appropriate.

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.

It is difficult to determine whether option A or B could have unintended consequences. It may be more beneficial to wait until the changes of the R&WS/Environment Act are implemented as these should reduce both the biogenic and fossil waste in the waste stream. This may mean that EfW plants have reduced emissions in the future. It would also make sense for the UK ETS to include landfill operators who are responsible for greater CO₂ emissions.

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? (Y/N) If so, please provide details on which gases and how it could work in practice.

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)?

LAs with long term contracts would have to assess any potential contractual and financial impacts of the ETS, in particular, is there a Qualifying Change in Law? If so, the operator would pass these costs onto LAs. Increased gate fees may make EfW facilities uncompetitive in the market place and impact overall revenues generated. LAs may be liable for the contractor's lost Third Party Income and may miss out on income sharing if carbon costs are prohibitive. It is not clear whether there will be new burden funding to support the UK ETS, for example, who will bear the cost of any more onerous waste sampling/monitoring/reporting requirements as a result of the ETS.

The detail of how the scheme will be implemented is not currently clear. Will there be a number of applications per Authority area, or per EFW facility and who is responsible for buying/trading of the allowances (the Local Authority or Contractor)? The consultation does not specify how allowances will be allocated for facilities that treat local authority and third party material.

The implementation of the other Environment Act changes will impact waste composition and volumes and we require time to understand the potential impacts of an ETS for EFWs. Some contracts may be at risk of being unable to meet Guaranteed Minimum Tonnages requirements under their contracts. LAs may need to undertake more thorough waste composition analysis to understand the biogenic and fossil fuel content of input material to the EFW to determine what level of allowances may be required for the facility.

It is likely that more material will be pre-treated/shredded and RDF material would be exported. It is not clear whether there would be any impacts on residues or MRF rejects and how these will be managed.

Commercial collections may be impacted as offtakers could potentially limit or put input criteria on material to minimise processing of fossil based waste.

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? (Y/N) Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes, There needs to be detail around funding and the infrastructure for alternative treatment methods for this type of material. Who would bear these costs? It would make sense to give the changes from the Environment Act and R&WS time to embed to determine changes to the waste stream prior to proposing carbon cost figures. It is very difficult to recover high quality recyclates from residual waste. It is likely that Extended Producer Responsibility will stimulate packaging producers to reduce fossil materials used in packaging in response to their increased costs of disposal.

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

No. Need to implement R&WS changes and review waste streams in the future. Further recycling would need investment in infrastructure and potentially collection methodologies, which would impact costs and efficiencies of current recycling systems. Once Extended Producer Responsibility is implemented, a carbon price will incentivise packaging producers to reduce the amount of fossil materials used in packaging as the cost of disposal is picked up by producers. LAs are already financially incentivised to encourage residents to recycle and divert material from the residual waste stream. Increasing the costs of EfW would not necessarily influence residents behaviour, but would be an additional financial burden on LAs without funding opportunities.

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? (Y/N) Please outline your reasoning in as much detail as possible and provide evidence to support your views.

Yes. It depends on the value of the carbon prices and whether there will be any financial support available for CCU projects/infrastructure. As stated in previous answers, LAs with long term contracts are likely to be responsible for the cost of complying with carbon caps for LA waste processed at EfW plants. However, operators commonly 'top up' waste flows by sourcing their own third party waste. Carbon pricing may incentivise investment in carbon capture and storage infrastructure, however apportioning the cost of such investment between the client and the contractor will require collaboration and benefit sharing.

It also depends on the location and geographical context around EfW facilities, some CCU may be easier and more effective to implement depending on the location of the facility and surrounding infrastructure.

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)? (Y/N) Please explain in as much detail as possible why, how, and to what extent this may or may not occur.

Yes, it is likely that a carbon price applied to waste operators will be determined as a Qualifying Change in Law. If so, the Authority will bear capex and other costs associated with the change associated with treating LA 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? (Y/N) Please explain in as much detail as possible and provide evidence to support your views.

No. It is likely that the disposal authority would bear the cost, however the collection authorities may need to implement alternative collection arrangements if there are significant changes to the waste stream.

There is no clear mechanism around how the costs of carbon for Local Authority generated Contract Waste would be separately calculated and charged vs that of third party material.

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

Yes, any new scheme should be a phased approach with a review period prior to any mandatory role out. It would need to enable sufficient time for CCuS and heat offtake projects to be developed prior to implementation.

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? (Y/N) Please explain in as much detail as possible and provide evidence to support your views.

143) Have you identified any other distributional impacts (including wider environmental or social impacts) arising from this proposal? (Y/N) Do you have views on how government could address these concerns?

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

Government support for first of a kind CCS at EfW facilities is to be welcomed, as is the deployment of CCS at power stations. However, a more strategic view of the investment required could be undertaken at an early stage, to ensure that carbon capture on a regional basis rather than from a particular facility, derives maximum benefit from decarbonising technology.

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?

Consideration should be given to how any ETS would operate in line with changes to the Environment Act and Resources & Waste Strategy.

Wider policies on carbon capture and usage need to be supported by funding such as New Burden funding, and the advancement of technology to determine the success and longevity of any potential projects.

Impacts on planning policy potentially, and future locations of facilities. Also need to consider any impacts and costs around greater Environmental Permit burdens if more reporting and monitoring is required under the ETS.

Need to ensure that policies do not contradict each other and we do not end up with unintended consequences such as more waste being landfilled/exported. It would make sense to focus on policies at the start of the waste hierarchy on front end design, minimising resources and using materials that can be recycled rather than the lower grade fossil plastic material.

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. (Y/N) Please explain in as much detail as possible and provide evidence to support your views.

Yes, landfills should be part of the UK ETS and RDF producers/exporters to help mitigate carbon leakage.



Climate change impact assessment

The purpose of this assessment is to help us understand the likely impacts of our decisions on the environment of North Yorkshire and on our aspiration to achieve net carbon neutrality by 2030, or as close to that date as possible. The intention is to mitigate negative effects and identify projects which will have positive effects.

This document should be completed in consultation with the supporting guidance. The final document will be published as part of the decision making process and should be written in Plain English.

If you have any additional queries which are not covered by the guidance please email climatechange@northyorks.gov.uk

Please note: You may not need to undertake this assessment if your proposal will be subject to any of the following:

Planning Permission
 Environmental Impact Assessment
 Strategic Environmental Assessment

However, you will still need to summarise your findings in the summary section of the form below.

Please contact climatechange@northyorks.gov.uk for advice.

Title of proposal	HM Government call for Evidence for UK Emissions Trading Scheme
Brief description of proposal	The consultation around a new UK Emissions Trading Scheme included proposals to consider extending the industries included in the scheme to Energy from Waste
Directorate	Business & Environmental Services
Service area	Travel, Environmental and Countryside Services
Lead officer	Peter Jeffreys
Names and roles of other people involved in carrying out the impact assessment	Lisa Cooper – Commercial Manager Waste
Date impact assessment started	10 May 2022

Options appraisal

Were any other options considered in trying to achieve the aim of this project? If so, please give brief details and explain why alternative options were not progressed.

No

What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result, detailing estimated savings or costs where this is possible.

The UK ETS scheme currently applies to energy intensive industries, the power generation sector and aviation. One of the proposals in the consultation document is a call for evidence as to whether waste incineration and Energy from Waste (EfW) should be included in the UK ETS by the mid to late 2020s. This could mean that Allerton Waste Recovery Park (AWRP) would be included in the UK ETS in the future.

Using indicative figures, the UK ETS could potentially increase gate fees at AWRP by c£8.6/annum (shared between NYCC and CYC 79:21)

The proposal doesn't include details of the costs for carbon allowances, or indicate how many carbon allowances would be required for AWRP.

The proposal may also result in a Qualifying Change in Law under the AWRP contract which would mean the Council is responsible for covering capex and potentially other costs of implementation.

Any changes to the AWRP contract would require NYCC to engage with external financial, technical and legal consultants. Depending on the scale and timeframe for the changes, these advisor costs could be significant.

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>	
<p>Minimise greenhouse gas emissions e.g. reducing emissions from travel, increasing energy efficiencies etc.</p>	Emissions from travel		x				
	Emissions from construction		x				
	Emissions from running of buildings		x				
	Emissions from data storage		x				
	Other	x			<p>If EFW are included in the UK ETS, robust monitoring, reporting and verification requirements will be placed on amounts of fossil waste incinerated to reduces the carbon impact of incineration</p> <p>If EFW are to be in scope, it is anticipated the scheme will be implemented in the mid – late 2020s</p>		<p>To implement robust monitoring arrangements to determine biogenic and fossil proportion of AWRP input waste</p>

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Minimise waste: Reduce, reuse, recycle and compost e.g. reducing use of single use plastic</p>	x			<p>The consultation considers whether recycling would increase as a result of including EFW in the ETS. Necessary infrastructure will need to be in place to support this (however, tee Resources & Waste Strategy will have a more significant impact)</p>		
<p>Reduce water consumption</p>		x				
<p>Minimise pollution (including air, land, water, light and noise)</p>	x			<p>See GHG emissions detail</p>		
<p>Ensure resilience to the effects of climate change e.g. reducing flood risk, mitigating effects of drier, hotter summers</p>	x			<p>See GHG emissions detail</p>		
<p>Enhance conservation and wildlife</p>		X				

<p>How will this proposal impact on the environment?</p> <p>N.B. There may be short term negative impact and longer term positive impact. Please include all potential impacts over the lifetime of a project and provide an explanation.</p>	<p>Positive impact (Place a X in the box below where</p>	<p>No impact (Place a X in the box below where</p>	<p>Negative impact (Place a X in the box below where</p>	<p>Explain why will it have this effect and over what timescale?</p> <p>Where possible/relevant please include:</p> <ul style="list-style-type: none"> • Changes over and above business as usual • Evidence or measurement of effect • Figures for CO₂e • Links to relevant documents 	<p>Explain how you plan to mitigate any negative impacts.</p>	<p>Explain how you plan to improve any positive outcomes as far as possible.</p>
<p>Safeguard the distinctive characteristics, features and special qualities of North Yorkshire's landscape</p>		<p>X</p>				
<p>Other (please state below)</p>						

Are there any recognised good practice environmental standards in relation to this proposal? If so, please detail how this proposal meets those standards.

N/A

Summary Summarise the findings of your impact assessment, including impacts, the recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The inclusion of EFW within the scope of a UK ETS (by mid-late 2020s) would measure the amounts of fossil waste being incinerated. The aim would be to reduce the carbon impacts and GHG emissions contributing to the UK meeting decarbonisation targets. It is not clear from the proposals how onerous (or otherwise) any obligations would be. It is also not clear what the legal or financial costs of such changes could mean for the AWRP contract and the operations of the facility.

The NYCC response to the Government consultation suggests considering whether changes to other environmental policies through the Resources and Waste Strategy should have time to embed prior to refining proposals around including EFWs in the UK ETS.

Sign off section

This climate change impact assessment was completed by:

Name	Lisa Cooper
Job title	Commercial Manager Waste
Service area	Travel, Environmental and Countryside Services
Directorate	Business & Environmental Services
Signature	Lisa Cooper
Completion date	10/05/2022

Authorised by relevant Assistant Director (signature):

Date: