

UK notification of exemptions under Article 14(6) of the Energy Efficiency Directive (2012/27/EU)

1. Introduction

1.1 Article 14(5) requires that after 5th June 2014 a cost-benefit analysis must be undertaken for the following installations where the total thermal input is above 20MW:

- New or substantially refurbished electricity generation installations;
- New or substantially refurbished industrial installations generating usable waste heat; and
- New district heating or cooling networks, or a new or substantially refurbished energy production installation within an existing network.

1.2 This cost-benefit analysis (CBA) is intended to identify cost effective opportunities for cogeneration and waste heat recovery. Under Article 14(7) and (8), national authorities must take the CBA into account when authorising installations and require that, where the benefits exceed the costs, operators develop cogeneration and waste heat recovery unless they benefit from an individual exemption.

1.3 Article 14(6) allows Member States to exempt certain types of installations (as detailed in paragraphs 3, 4, 5 and 6 below) from the obligation of having to undertake the cost-benefit analysis requirement of Article 14(5).

1.4 Member States who wish to implement these exemptions (under Article 14(6)), are required to notify the European Commission by 31 December 2013.

1.5 The purpose of this document is to notify the Commission of the UK's intent to implement the exemptions permitted by Article 14(6).

2. Article 14(6)

2.1 The UK intends to implement all the exemptions contained in Article 14(6), and this document sets out the manner in which these exemptions will be implemented and information on the installations which we are aware will be exempt as a result.

2.2 The information below is not definitive and exhaustive because we do not have foresight of all future installations. The UK will inform the Commission of any subsequent changes to the exemptions implemented.

3. Article 14(6)(a) - Peak load and back-up electricity generating installations planned to operate under 1500 hours per year as a rolling average

3.1 The UK intends to implement this exemption. Article 14(6)(a) requires Member States to implement a verification procedure to ensure that

installations exempted under this paragraph do not exceed 1,500 hours per year average operation.

3.2 The verification procedures will be those already in use by competent authorities within the UK for verification in respect of those installations which qualify for the less stringent emission limit values applicable, under the Large Combustion Plant Directive (2001/80/EC), to installations operating less than a stated annual number of hours.

3.3 There are currently no known plans for new installations operating for less than 1500 hours annually. Operators continue to consider their options, particularly those resulting from the Industrial Emissions Directive (2010/75/EU) and the impact of the UK's Electricity Market Reform. Similarly, there are no known plans for substantial refurbishment of those installations which currently operate in that way.

4. Article 14(6)(b) - Nuclear Power installations

4.1 The UK intends to implement this exemption.

4.2 The following is a list of existing and planned nuclear power installations for the territories of the UK.

Territory	Existing	Planned
England	Dungeness B	Hinkley Point C
	Hartlepool	Sizewell C
	Heysham 1	Oldbury
	Heysham 2	Moorside
	Hinkley Point B	
	Sizewell B	
Wales	Wylfa A	Wylfa Newydd
Scotland	Torness	Nil
	Hunterston B	
Northern Ireland	Nil	Nil

5. Article 14(6)(c) - Installations that need to be located close to a geological storage site approved under Directive 2009/31/EC

5.1 The UK intends to implement this exemption.

5.2 There are currently no existing or planned UK installations which are required to be located close to a geological storage site approved under Directive 2009/31/EC. The intent is however that the UK implementing regulations will exempt any future installations for which there is a requirement to be located close to geographical storage approved under Directive 2009/31/EC.

5.3 There are a number of pilot carbon capture technology projects in the UK, but these have not been considered as they are for the purposes of demonstrating or testing capture technology at a small scale and would not meet the 20MW thermal input threshold.

5.4 In addition, some gas-fired power stations are required to be carbon capture ready under their section 36 of the Electricity Act 1989 consent, or Development Consent Order issued by the DECC Secretary of State.

6. Thresholds for exempting certain installations

6.1 The penultimate paragraph of Article 14(6) permits Member States to lay down thresholds relating to the amount of available waste heat, the heat demand or the distances between heat source and heat load for the purposes of exempting industrial installations and district heating and cooling networks from the requirements of Article 14(5). The attached report produced by DECC's contractor Ricardo-AEA sets out the thresholds that are proposed by the UK. The UK intends to implement these thresholds for exempting individual installations from the provisions of Article 14(5) (c) and (d).

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