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NORTH LONDON WASTE AUTHORITY

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THURSDAY, 23 JUNE 2022 AT 2.30 PM
COMMITTEE ROOM 2, CROWNDALE CENTRE, 218 EVERSHOLT STREET, LONDON, NW1 1BD

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AGENDA

SUPPLEMENTARY AGENDA

17. CONSULTATIONS UPDATE

(Pages 3 - 36)

Report of the Managing Director.

Please note that this report replaces an earlier version. The version that had been dispatched with the original agenda was a non-final text which was regrettably issued to the secretariat in error.

This report provides an update on consultations that have the potential to impact on authority operations or activities. It summarises the Government's initial response to consultation on Extended Producer Responsibility (EPR) which was published in March 2022. It advises of the Authority's response to the Government consultation on the UK emissions trading. It proposes responses to Government consultations on environmental targets and household waste and recycling centres. Delegation is sought for the

Managing Director to finalise and submit these in consultation with the Chair and Vice Chairs.

SUPPLEMENTARY AGENDA ENDS
Issued on: Friday, 17 June 2022

NORTH LONDON WASTE AUTHORITY

REPORT TITLE: CONSULTATIONS UPDATE

REPORT OF: MANAGING DIRECTOR

FOR SUBMISSION TO: AUTHORITY MEETING

DATE: 23 JUNE 2022

SUMMARY OF REPORT:

This report provides an update on consultations that have the potential to impact on authority operations or activities. It summarises the Government's initial response to consultation on Extended Producer Responsibility (EPR) which was published in March 2022. It advises of the Authority's response to the Government consultation on the UK emissions trading. It proposes responses to Government consultations on environmental targets and household waste and recycling centres. Delegation is sought for the Managing Director to finalise and submit these in consultation with the Chair and Vice Chairs.

RECOMMENDATIONS:

The authority is recommended to:

A. Note the outcome of the consultation on Extended Producer Responsibility (EPR) for Packaging - England, Northern Ireland, Scotland, and Wales;

B. Note the synopsis and response submitted to the Government Consultation on Developing the UK Emissions Trading Scheme (UK ETS)

C. Note and comment on the draft responses for the following Government consultations:

    a. Consultation on Environmental Targets

    b. Consultation on Household Waste and Recycling Centres

D. Delegate authority to the Managing Director, in consultation with the Chair and Vice Chairs, to submit the final authority responses to the consultations listed under section C.

SIGNED:

Managing Director
DATE: 14 JUNE 2022

1. PURPOSE AND STRUCTURE OF THE REPORT

1.1. This paper provides an update for members on consultations that are relevant to the authority and have the potential to affect operations and/or costs. The report additionally seeks approval for responses where appropriate.

1.2. The report is organised as follows:

1.2.1. Government responses indicating their conclusions following public consultation exercises (section 2)

1.2.2. Authority responses to recent and ongoing consultations (sections 3 to 5). These include a summary of the consultation and an outline, with explanation of the, proposed Authority response.

1.3. he responses which have already been submitted are available on the authority's corporate website here

2. GOVERNMENT RESPONSE TO CONSULTATION ON EXTENDED PRODUCER RESPONSIBILITY (EPR) - ENGLAND, NORTHERN IRELAND, SCOTLAND, AND WALES;

Summary

2.1. On 24 March 2021, the Department for Environment, Food and Rural Affairs (Defra) and Devolved Administrations for Scotland, Wales and Northern Ireland published the consultation document "Packaging and packaging waste: Introducing Extended Producer Responsibility (EPR)". The consultation closed on 4 June 2021. On 26 March 2022, they published a summary of consultation responses and a partial response, which set out proposals on a number of issues raised in the consultation, with further information to follow in due course.

2.2. The EPR consultation had focused on policy proposals for the introduction of an EPR scheme, including producer obligations, governance and regulation of the scheme, and packaging waste recycling targets.

2.3. The impact assessment had indicated that there could be a transfer of up to £820 million per year from producers to local authorities, reflecting the cost of managing packaging waste: local authorities would be reimbursed for collecting and managing the waste covered by EPR.

Key outcomes:

2.4. It had been intended that the scheme would begin in 2023. However, the Government has said that it does not intend to introduce EPR until 2024. Moreover, the scheme will be implemented in a phased manner, focusing first on payments for household packaging waste and packaging in street bins managed by

local authorities, with payments being determined from 1 April 2024. This represents only a small part of local authority waste activity and costs.

2.5. Defra will continue to explore payments for commercially collected packaging waste (from businesses and organisations that pay for the collection of their waste), establishing a task force, with cross-sector representation, to develop the evidence and identify options. There is no timeline outlined for this at present.

2.6. A Scheme Administrator (SA) will be appointed in 2023 and will be fully operational in 2024. Government is considering options to establish the SA within the public sector, but still maintain significant industry involvement in the delivery of its functions. It is not clear from the response when more detail will be available.

2.7. The Government response also indicates that the related plans for introduction of a deposit return scheme will exclude glass and will cover only plastic and aluminium.

NLWA RESPONSE SUMMARY

2.8. The Authority responded to the consultation in June 2021. The Authority supported the principle of EPR which would increase the application of the polluter pays principle. The Authority argued that the scheme should be introduced as soon as possible and cover as wide a range of packaging as possible. There was a question about how local authority payments should be calculated under the scheme – by formula or based on actual costs. The Authority favoured an approach based on actual costs. The Authority also said that local authorities should be represented on the scheme administration body.

IMPLICATIONS FOR LOCAL AUTHORITIES

2.9. The Government response gives some indications of the way forward. But much detail of how the scheme will work remains to be determined. The uncertainties include over exactly what the scope of products covered by EPR will be and both the quantum of funding and the funding mechanism for local authorities.

2.10. The EPR scheme should provide a material source of funding for council waste collection and disposal services, as well as creating an incentive for producers to minimise costs by avoiding and reducing packaging and by ensuring that packaging is as sustainable as possible. At present, Government has not been fully clear on how these payments will be assessed and made to local authorities, nor what further dialogue will take place to assist in decisions on this issue. It is also unclear what level of reporting will be required from local authorities.

2.11. There is therefore further development to do on this policy. Officers will engage with Defra, including through local authority bodies such as the National Association of Waste Disposal Officers (NAWDO), and offer to assist the Government in developing practical proposals for implementing EPR.

2.12. While this does not affect NLWA, a common issue of concern raised by authorities across the country is that they have delayed new procurements and instead implemented interim contracts and extensions. This is to allow them to take stock following the introduction of new arrangements. However, the delay to new EPR proposals means that in practice procurements will be necessary before decisions are taken on EPR. This is an unfortunate side effect of the delay in proposals.

2.13. Councils in England and NI will continue to fund the cost of clearing ground litter, but there is no offer of support from Government to help to meet this requirement.

3. GOVERNMENT CONSULTATION ON DEVELOPING THE UK EMISSIONS TRADING SCHEME (UK ETS)

3.1. On 25 March 2022, the Department for Business Energy and Industrial Strategy (BEIS) published the consultation document "Developing the UK Emissions Trading Scheme" (UK ETS). The consultation closes on the 17 June 2022.

3.2. The UK ETS Authority – made up of the UK Government, Scottish Government, Welsh Government and the Department of Agriculture, Environment and Rural Affairs in Northern Ireland – is seeking stakeholder views on proposals to develop the UK ETS which operates across England, Scotland, Wales and Northern Ireland.

Background to the UK Emissions Trading Scheme

3.3. The UK Emissions Trading Scheme (UK ETS) replaced the UK's participation in the European Union ETS on 1 January 2021. The ETS aims to incentivise industry along a path of rapid decarbonisation aligned with the trajectory of the UK's legally binding carbon budgets.

3.4. The ETS works on a 'cap and trade' principle, where a cap is set on the total amount of certain greenhouse gases that can be emitted by sectors covered by the scheme. Within this cap, participants receive free allowances and/or buy emission allowances at auction or on the secondary market which they can trade with other participants as needed. The ETS currently applies to energy intensive industries, the power generation sector and aviation.

3.5. The UK ETS Authority proposes to explore expanding the UK ETS to Energy from Waste (EfW) sector by the mid-late 2020s. Under current rules, if the purpose of a facility is the incineration of hazardous or municipal waste, then the installation is excluded from the UK ETS. The consultation call for evidence included a number of questions for respondents to consider. The deadline was before the Authority meeting and officers provided a response which is included in the Appendix to this report. This took account of consultations with boroughs and other authorities. The key points from the Authority's response are provided in the following section.

Relevant aspects from the Authority Response

3.6. NLWA's primary purpose as a statutory waste disposal authority is the safe and hygienic disposal of non-recyclable household waste. The Authority carries out this function through the use of EfW, which is the most sustainable and low carbon form of treatment for non-recyclable waste. NLWA shares the Government's ambitions to achieve deep decarbonisation of the UK economy – indeed constituent boroughs have all declared a Climate Emergency. The Authority adheres to waste hierarchy principles.

3.7. The Authority has major concerns about the proposal to expand ETS to include the EfW sector on the timescale indicated. This is because the cost of the emissions permits would be passed on to local authorities who in practice have highly limited scope to avoid the costs. As regards the production of materials, local authorities are dependent on producers, retailers and regulators; and as regards the reduction of residual waste, local authorities can seek to influence residents but are ultimately dependent on residents voluntarily demonstrating positive behaviour. Therefore the ETS is an end-of-pipe solution to a problem which needs to be addressed by a system-wide approach.

3.8. It would be more rational for the Government to implement the waste reforms which it has already proposed but which are delayed in implementation (see section 2 above) and consider further measures when their effectiveness has been assessed.

3.9. The current price of carbon under the UK ETS is around £80 per tonne of carbon emitted. On current waste volumes and price levels that would equate to a cost of some £23m a year for north London's waste which would be a pass through cost from the EfW operator to the Authority. That would apply irrespective of the plant to which north London's waste is sent. The carbon price has fluctuated significant therefore it is particularly hard to forecast liabilities. It is probable that as the cap tightens on the ETS in future, the cost will increase significantly, leaving the Authority open to much high costs in the future.

3.10. The consultation paper notes that inclusion of EfW in the UK ETS could have the effect of making landfill more attractive. It notes that this would be an undesirable outcome.

3.11. It could be argued that inclusion of EfW in the ETS would incentivise the development of new technologies for managing waste and incentivise the removal of as much recyclable material as possible from residual waste. In practice there is no more efficient way to manage residual waste than through EfW, especially when linked with a heat network to maximise the efficiency of the by-products; and it is not feasible to assume that new infrastructure would be in place by the late 2020s. Under NLWA's contracts it is already more cost effective to treat recycling than residual waste. If new initiatives were taken, such as increased engagement with

residents to reduce residual waste, these would also come at a cost and so the overall effect would be to increase the Authority's cost to residents.

3.12. There is the potential for ETS to align with the development of carbon capture and storage (CCS). CCS would constrain carbon emissions to the atmosphere and the Authority is developing proposals for application of CCS to the new facility at Edmonton. However, CCS for EfW is still at extremely early stages of development, and it would be sensible for application of the ETS to be timed so that it fits with the widespread availability of CCS. This would also have the benefit of being able to take advantage of emerging experience with CCS – for example to ensure ETS does not become a geographical tax on dispersed EfW sites, distorting the market and resulting in burdens falling on those communities who are least able to afford it.

3.13. Some groups have noted that a large increase in the cost of sending waste to EfW facilities, implemented across the UK as a whole would be likely to lead to increased use of illegal waste sites

4. ENVIRONMENTAL TARGETS

Summary

4.1. At the end of March 2022, Defra published the consultation document "Consultation on Environmental Targets". The consultation closes on 27 June 2022.

4.2. The Environment Act 2021 requires the Government to set environmental targets on a number of matters: air quality; water; biodiversity and resource efficiency and waste reduction. The targets apply at a national level.

4.3. The consultation proposes that in relation resource efficiency and waste reduction, the target should be to reduce the kilogrammes per capita of residual waste (excluding major mineral wastes) by 50% by 2042 from 2019 levels.

4.4. The consultation document proposes that local authorities should have a legal requirement to report waste data on a kilogrammes per capita basis

4.5. The consultation document notes that meeting the target will require progress beyond achieving a 65% municipal recycling rate by 2035. Analysis suggests the target would imply a municipal recycling rate of around 70-75% by 2042.

Relevant aspects from the Authority response

4.6. The proposed targets are a welcome recognition that reducing waste is a top priority for society. We welcome ambitious targets where there is a clear and feasible route to achieving them.

4.7. Using a metric of residual waste per capita is a better way of measuring success than recycling rate. This ensures that all positive waste initiatives – prevention,

reuse and repair and well as recycling help to improve performance. In addition the proposed target is an absolute one, not a percentage goal (the current recycling targets favour authorities with high volumes of green waste – this would not be the case with residual waste per capita). However, it would be preferable if a carbon-based metric could be developed in the future, with a goal to bring down the carbon content of residual waste.

4.8. While the Government has indicated that local authorities should report on residual waste per capita, it is essential that the Government does not treat this as a purely local authority deliverable. Local authorities control very few of the levers to drive achievement of this goal. In practice achievement of the proposed target would depend on system-wide measures including producers, retailers and regulation of products, as well as creating the right environment in which residents are incentivised and assisted to minimise residual waste.

4.9. The consultation has a supporting analytical document outlining the assumptions about actions to achieve the proposed target. It suggests a 25% reduction in residual waste per capita would be achieved from introducing measures already consulted - the proposed waste reforms involving consistent collection and packaging reforms such as EPR. Further household measures would be needed to achieve the extra 25% reduction needed to hit the target – these appear to include: substitution of materials in production so that less waste is unrecyclable; use of additional techniques to recycle additional material and financial mechanisms to increase the cost of disposing of residual waste. There is strong doubt about whether the waste reforms will achieve the 25% level of change suggested. In terms of further measures, it would be wrong to impose on local authorities higher cost burdens for treating residual waste without having a system-wide approach in place which reduces waste generation. There is a strong risk that local authorities will face higher costs without having the levers to achieve waste reduction. The target will only be achieved if the Government demonstrates strong and dynamic leadership.

4.10. The proposal to exclude mineral waste from the reduction target has some logic as mineral waste is not sensitive to per capita behaviour change as other waste is. However, there is a risk that excluding this waste places the burden disproportionately on local authorities as opposed to businesses and developers.

5. HOUSEHOLD WASTE AND RECYCLING CENTRE (HWRCS) DIY AND BOOKING SYSTEM

5.1. At the end of April 2022, Defra published the consultation document “Household Waste and Recycling Centre (HWRCs) DIY and Booking System”. The consultation closes on 4 July 2022.

5.2. The consultation comments that householders should not be charged to dispose of waste as a result of Do-It-Yourself (DIY) improvements to their homes. The Government proposes that householders should be permitted to deposit a limited amount of DIY waste at HWRCs for free. It is argued that this will reduce the potential risk of fly-tipping, littering and backyard burning, which creates additional costs for local authorities and causes environmental issues. The consultation also includes an assessment of the impacts of booking systems introduced during the pandemic at HWRCs.

KEY PROPOSALS:

5.3. Government propose that construction waste should be considered DIY Waste and classified as household waste in the 2012 Regulations when it meets certain criteria:

5.3.1. It is produced by householders whilst carrying out construction works themselves at their home. Construction is defined in the 2012 Regulations as including improvement, repair or alteration.

5.3.2. It is not produced as a result of commercial activities or by a commercial contractor charging for work in a domestic premises.

5.3.3. It is of a volume, which is no greater than 300L (based on the approximate boot size of a family car).

5.3.4. It is not produced on a regular basis requiring HWRC visits more frequently than once a week.

5.4. The Environmental Protection Act 1990 requires Waste Disposal Authorities to provide HWRCs which are "available for the deposit of waste at all reasonable times". Government believes this is potentially hard to reconcile with many booking systems, particularly those with a limited supply of appointments, or which seek to place additional burdens on local residents using them.

5.5. Defra are interested to understand the approach local authorities intend to take in this respect, any rationale for maintaining the use of booking systems in place and any evidence on the impacts on recycling levels in the area. They plan to review the number of booking systems which remain in place later in the year.

Relevant aspects from the Authority response

5.6. NLWA sites do not currently charge for householders to deposit DIY waste, but do not permit commercial waste. Waste is commercial if a company or contractor has carried out work. There have been many instances over the years of visitors to sites claiming waste is DIY waste when evidence suggests it is commercial. Some authorities charge for DIY-type waste above a certain threshold. While the

Government is clearly responding to complaints from some genuine householders who have felt hard done by over lack of free access to HWRCs for DIY waste, the proposed measures would be wide open to misunderstanding and would not avoid difficulties on site. For example the proposed 300 litre limit for waste is the boot of a small car. An estate car with the back seats down could hold over 1600 litres. This is managed on a day-to-day basis by site operators and the Government measures would not change the arrangements in north London.

5.7. However, the Government proposals would constrain future possibilities. While the Authority has no plans to charge for DIY waste, it could become a major cost burden in an Authority serving over 2 million residents and the Authority would argue that there is no overwhelming reason to reduce local authority flexibility over the use of sites.

5.8. On the booking system, NLWA will share our experience that since the easing of restrictions to manage COVID-19, the booking system has not restricted residents' access to sites and has enabled the operator to provide a more certain level of service. While the Government raises concerns about a risk of increased fly-tipping, there is no evidence in any of the seven boroughs that fly-tipping has increased since its introduction. We are also liaising with other authorities over responding to this consultation. In London the majority of sites have a booking system. East London Waste Authority does not have a booking system for its four sites but provides a video feed for each site, allowing residents to see how busy they are in real time.

5.9. Officers have an action to advise Members on whether to retain the booking system. A paper will be put to the October Authority meeting, including taking account of any further Government developments.

6. NEXT STEPS

6.1. Members are invited to comment on the issues raised in this paper.

6.2. In the case of the Government consultations on environmental targets and HWRCs (sections 4 and 5), the closing dates for responses come shortly after the meeting. Members are asked to comment on the draft consultation responses and delegate approval to the managing director – in consultation with the Chair and Vice Chairs – to finalise submit and Authority response.

7. EQUALITIES IMPLICATIONS

7.1. There are substantial uncertainties concerning any implementation of measures. No specific equalities issues have been identified, including by Government as the author of the consultations. However, if any equalities implications are identified at the next stage of consultations, these will be set out in future reports to Members.

8. COMMENTS OF THE LEGAL ADVISER

8.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

9. COMMENTS OF THE FINANCIAL ADVISER

9.1. The Financial Adviser has been consulted in the preparation of this report and comments have been incorporated.

List of documents used:

Consultation on Extended Producer Responsibility for Packaging - England, Northern Ireland, Scotland, and Wales. Available at: https://consult.defra.gov.uk/extended-producer-responsibility/extended-producer-responsibility-for-packaging/

Consultation on Environmental Targets, https://consult.defra.gov.uk/natural-environment-policy/consultation-on-environmental-targets/

Consultation on preventing charges for DIY waste at household waste recycling centres and call for evidence on booking systems at household waste recycling centres. Available at: https://consult.defra.gov.uk/waste-and-recycling/consultation-on-diy-waste-and-call-for-evidence/

Consultation on Developing the UK Emissions Trading Scheme (UK ETS). Available at: https://www.gov.uk/government/consultations/developing-the-uk-emissions-trading-scheme-uk-ets

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Appendix A

Developing the UK Emissions Trading Scheme (UK ETS) - North London Waste Authority Response

Link to consultation: https://www.gov.uk/government/consultations/developing-the-uk-emissions-trading-scheme-uk-ets

Closing Date: 11:45pm on 17 June 2022

NLWA has not sought to answer every question within the Consultation Document but have focused on the most sector relevant i.e. questions 124-146.

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

NLWA is of the view that if the UK ETS is expanded to include the EfW sector, sufficient time must be allowed to enable the industry to prepare and to establish the impact of waste reforms in achieving the aims of promoting a circular economy and reducing carbon emissions from the waste sector.

The indicated time frame does not allow for this. Reasoning can be summarised into two key considerations:

1) The proposed timing does not provide the sector and operators with adequate time to prepare and react to the requirements of the UK ETS. The sector will need time to consider business models, re-design current and future contracts and to realise actual costs.

   If implemented too early, the carbon costs will act more like a tax, the cost of which will be passed on to Local Authorities (LAs), who will have no real ability to avoid or mitigate costs. This will be a major burden to local authorities already facing intense financial pressures. and ultimately all households and local residents, as well as commercial clients.

   NLWA currently disposes of around 570,000 tonnes of waste on behalf of over 2 million residents. At current ETS prices, this would imply the Authority facing costs of £23m as a result of the ETS, which represents over a third of the Authority's total expenditure. Costs would be likely to increase as the cap is tightened leaving the Authority open to much higher costs. These could be subject to fluctuation and unpredictability as well as increases – it is plausible that costs to rise to some £66m by 2050, equivalent to a doubling of the cost of treating waste for north London's residents.

   Additionally, the costs of any new policies (like those referenced in response 2) below) need to be understood so as to not overburden local authorities and businesses (the most recent overall system costs for EPR are reported to be around £1.7 billion and recently the published impact assessment for the Consultation on Environmental Targets indicates treatment costs for local authority and businesses of around £3.69 billion). The additional ETS financial and administrative burdens passed back could result in perverse outcomes for the UK ETS policy, by penalising Local Authorities potentially reducing budgets available for broader waste management services such as waste prevention outreach, reuse and recycling activities. This is an example of the unintended consequences of the ETS which only serve to undermine the waste

hierarchy and drive waste to less preferable disposal options i.e. landfill before a landfill ban could be implemented.

2) Impacts of implementation of the Environment Act and sector policies such as the Extended Producer Responsibility for Packaging (now determined for 2024), Plastic Packaging Tax and Deposit Return Scheme, amongst others, will not have been realised within the proposed timeframe for the introduction of the UK ETS.

   Alignment with and effect of emerging policies that will have direct impacts on key factors such as recycling rates, waste composition and the fossil component of residual waste will need to be accounted for. Additionally, the introduction of the plastic packaging tax raises the issue of a potential double tax being applied; namely a tax at the point of manufacture and at the point of incineration if the UK ETS is implemented.

   NLWA is of the view that if the UK ETS were to be expanded to include EfW, it should be done in a tapered manner: aligning with waste management policies, extension of free allowances, timeline to allow for further decarbonisation of waste streams and a realistic timeframe for the implementation of CCS.

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.

Steps we have identified include:

1. An options assessment would be required to understand the specific implications of the UK ETS; whether simple participation (pass through of costs), pre-treatment options to decarbonise the waste stream and opportunities for abatement i.e. carbon capture use and storage. Any new infrastructure would be likely to have a lead time of up to 10 years, especially if land acquisition is necessary. Moreover, any additional infrastructure would have additional financing and operational costs

2. This would mean that even if work were to begin immediately waste pre-treatment infrastructure would not be operational until the early 2030s. In terms of carbon capture use and storage, this would require additional time to implement as the market is still developing and crucially the transport and storage infrastructure is not in place to enable the Authority's facility – or many other EfW plants - to connect to a network. More realistically this would unlikely be implemented before the early 2030s.

It must be noted that pre-treatment of waste does not guarantee carbon savings are achieved. This is because demand for recyclable materials are a function of the materials markets and demand for such materials. It is very challenging to find outlets for the low-grade material extracted for recycling from residual waste pre-treatment facilities. A large proportion of inputs are ultimately incinerated as there is no market for the material.

3. A number of the policy measures referenced in the response to Q124 have the potential to impact future waste composition and volumes and thus waste input into incinerators/EfW facilities. We understand the Department is seeking to establish a baseline waste composition by 2024 (ahead of the measures coming into effect). The Authority would require at least one round of post-implementation composition data to assess changes in waste composition and the implications for emission trading. Meaningful post-implementation data is unlikely to be available before the late 2020s.

4. Understanding the scope of regulatory changes under permitting regime and associated forthcoming permit amendments (assuming MRV requirements mandated under

permitting regime) will be important in addressing Change of Law provisions (outlined in response 5) below. Permit amendments will also need to have been affected ahead of waste incinerators/EfW facilities becoming subject to UK ETS. It is for the relevant regulatory authorities to determine the timeframe for this.

5. The project agreements underpinning the provision of EfW to most local authorities include provision for Change of Law. The application of the UK ETS to waste incineration/EfW facilities will represent a Change of Law. The Parties to the Agreement will, therefore, need time to review and negotiation. The exact mechanism will be set out in each agreement (along with a mechanism to address any failure to agree). The Authority believes it would be prudent to plan for a review and negotiation period of up to 12 months. Similar Change of Law provisions will apply to waste supply contracts relied upon by merchant incinerators/EfW facilities and a similar review and negotiation period should be planned for.

6. Waste heat networks are important to the decarbonisation of heating for domestic and commercial customers, with Government estimating that such networks will need to supply 18% of heat demand by 2050 if carbon targets are to be met cost effectively. Indeed, they are seen as providing a unique opportunity to exploit larger scale – and often lower cost – renewable and recovered heat sources that otherwise cannot be used, such as a combined heat and power plant, or EfW plants. The Authority is committed to supplying heat from its new Energy Recovery Facility (ERF) to near-by development. The facility will be operational from 2026 and will support one of London's largest district heat networks, the Meridian Water Development. The heat network is currently being constructed and will be run by Enfield Council's energy company Energetik. The ERF will be able to export at least 35MWth of heat providing low-carbon hot water and heating for thousands of local homes in the Meridian Water development.

7. Recruit or procure additional resources and expertise to oversee the implementation and ongoing administration of the ETS; this is dependent on the approach taken by the Authority to address the implications of the ETS. At present it is not known how long this activity would take.

In conclusion if EfW is to be included in the UK ETS in an orderly and effective way, some 10 years would be needed. This is for technical and contractual reasons as described above. This does not include time for consideration with Government of how to manage the substantial net burden which would be imposed on local authorities.

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.

NLWA shares the Government ambitions to achieve deep decarbonisation of the UK economy. As set out in the Net Zero Strategy, to stay on track to meeting net zero, industrial emissions will need to fall significantly, and all industrial sectors need to act to meet this change to ensure they are resilient to the effects of climate change. The move from landfill to EfW for treating the majority of residual waste has been a major success in supporting the waste sector to make substantial reductions in greenhouse gas emissions.

NLWA's primary purpose as a statutory waste disposal authority is the safe and hygienic disposal of non-recyclable household waste. The Authority carries out this function through the use of EfW, which is the most sustainable and low carbon form of treatment for non-recyclable waste. It is the Authority's view that policy which is targeted to ensure the sustainable management of waste is most effective if it is focused closer to the source of the emissions (i.e. at the product design and material selection stages). Such policies more

directly address the root of the problem. As recognised in the Government's Resources and Waste Strategy "*Evidence suggests that 80% of the damage inflicted upon the environment when products become waste can be avoided if more thoughtful decisions are made at the production stage*". It is important to understand that the EfW industry has very little control over the types and composition of the waste it receives. In this regard the industries' largest influence is over the types of collection infrastructure such as types of bins, size, collection frequency and commingled/source separated options; the overall aim being to improve the quality of materials and quantity of recycled materials. These aspects of the value chain are already being addressed through the Government's proposals for consistent collections.

Owing to the sector's limited influence on the supply chain the ETS will not have sufficient effect on the reduction of carbon emissions from waste and will serve only to increase council costs and therefore council tax. As such the Authority considers that expansion of the ETS to include the EfW sector should take place only if accompanied by appropriate system-wide mechanisms by Government, producers, retailers, regulators and local government to minimise waste and with appropriate support to manage the new financial burdens imposed on local authorities. NLWA is supportive of other policy mechanisms such at the extended producer responsibility, the plastic tax, deposit returns schemes and collections and packaging reform where product manufacturers and households are disincentivised to produce and consume products with a high embodied carbon content. Moreover, in line with Circular Economy principles to assess the whole value chain, focusing efforts higher up the chain with regards to design and materials, to reduce fossil carbon intensive materials. It should be noted that even products containing recycled content when disposed via energy from waste result in the same carbon impact, albeit reduced over the lifecycle had they been made from virgin materials. If the material is subsequently incinerated the carbon impact of disposal is the same.

Any solution for treating residual waste emits carbon both as a consequence of the waste management process itself and as a consequence of the embodied carbon in the item being managed. These emissions are only avoided if a product does not become waste in the first place. The ETS will not address product emissions because as a policy intervention it is applied too far from the source of influence i.e. produce designers, manufacturers etc. Regarding the emissions from the waste management process itself, no viable alternative treatment technologies exist for processing non-recyclable waste. As such the application of the ETS to the sector will only act as a tax which can only be passed through to waste producers whether they are commercial customers or residents.

EfW has the potential to achieve further emissions savings with the introduction of carbon capture and use or storage (CCUS) whilst continuing to contribute to the circular economy, national decarbonisation of electricity and heat and sustainable waste management. However, effective implementation of CCUS needs to happen across the whole sector to avoid the unintended consequences. The implementation of carbon capture will rely on the successful role out of a viable transport and storage network. If transport and storage networks are not uniformly developed across the country this will result in many 'dispersed sites' which will not have easy or potentially affordable access to such a network. This will result in a geographical disadvantage for many EfW facilities which do not have access to future CCS solutions. This could also put some EfW plants at a commercial disadvantage simply because the location is less ideal for a transport and storage network, or they do not form part of a carbon capture cluster.

Therefore, implementation of the ETS would need to be managed carefully such that it does not become a geographical tax on dispersed sites, distorting the market and resulting in burdens falling on those communities who are least able to afford it.

Heat Network

The Government's consultation document states: "*The UK ETS may help raise the efficiency of conventional EfW plants by incentivising more plants to supply heat (i.e. heat offtake), or by potentially encouraging residual waste to be recovered in a way which lowers overall carbon emissions, such as chemical recycling*". It is not clear from the consultation document how the Government believes the ETS will incentivise "more plants to supply heat". NLWA is proud that the North London Heat and Power Project will support a large heat network, and this supports the new facility in having a very strong performance against the carbon intensity floor, which measures the effiency of the plant in carbon terms. However, a heat network does not of itself change the carbon emissions. NLWA would support inclusion of a mechanism in the ETS which recognises and rewards the lower carbon intensity of EfW facilities supplying heat.

Pre-Treatment

The Consultation document states: "*The UK ETS could provide an incentive for the development and uptake of decarbonisation technologies or practices to reduce emissions from waste incineration and EfW, principally by strengthening long-term investment incentives. For example, by enhancing the pre-treatment of waste before it is incinerated to reduce fossil plastic in the waste stream (a costly and intensive process)."*

Simply extracting carbon intensive materials from the overall waste stream does not mean that these materials will be automatically reused or recycled. These materials will remain waste which will still require suitable treatment or disposal. The Authority recognises that ideally these materials would be reused or recycled however, significant quality challenges exist which prevents this outcome being achieved, whereas, in reality, this material is of little value and has limited end markets which means often the only safe management option is recovery at an R1 rated EfW facility or disposal to landfill.

Pre-treatment technologies used to extract materials from the residual waste stream have a high cost relative to their yield. The overall efficiency of processes to recover recyclables (plastics, paper/cardboard, metals) can be highly variable. As the consultation notes, such developments are costly and can struggle with reliability given that the material they process is non-homogenous.

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.

Referring back to Q126, we do not believe that any EfW plants should be included in the UK ETS without the right conditions being created. If some do end up being included then certainly not all types of waste incineration should be included, particularly healthcare waste and unavoidable hazardous waste streams. For these categories of waste, thermal destruction is the only management method to ensure safety of the environment. The plants are generally of small capacity and therefore have a much smaller contribution to emissions.

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?

If applied then- yes. NLWA believe ATT should fall within the scope of the UK ETS on the basis that such facilities result in the release of fossil-based carbon dioxide in exactly the same manner as EfW facilities. The overwhelming majority (potentially all) ATT facilities within the UK are simply close-coupled gasifiers which are permitted to near identical regulatory standards and do not provide material benefit relative to conventional EfW with regards to

emissions (across all permitted pollutant species generally). Given that the overall carbon balance is at best comparable to EfW and potentially worse, as inferred by operational emissions and availability metrics, it appears prudent to include ATT within the UK ETS.

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, NLWA is of the view that the implementation of the MRV obligation would need to be placed on plant operators as a practical necessity and likely via the permitting regime. This approach would result in additional administrative burden and cost on operators, but operators are best placed to meet this obligation given similar obligations with respect to emissions monitoring / compliance conducted at waste incinerators and EfW facilities, in addition to the regulated nature of such installations. Implementation timing should allow for adequate consultation between environmental regulators and industry, agreement on MRV principles and preferred technologies, permit amendments (if required), and deployment. MRV obligations should be designed to fully accommodate waste compositional variations (seasonal and resulting from impacts of emerging policies over the next 10-15 years). Waste composition and volumes vary during the course of a year due to seasonality effects; for example, periods of increased waste arisings typically occur for a number of weeks around holiday periods (including Easter and Christmas). Typically, during the summer months there is increased organic material in the residual waste stream. NLWA analysis of waste deliveries suggest waste tonnages can vary between 12% and 14% above and below mean respectively through the year.

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.

NLWA considers that this question is unclear. Considering this question, the following points are raised:

Currently compliance monitoring (with respect to waste types and permitted emissions) already falls within the responsibility of operators under the provisions of respective environmental permits. Waste type compliance is partially passed through to waste suppliers via waste supply contractual obligations and it is anticipated that similar mechanisms would be introduced with regards to any applicable MRV requirements introduced via the UK ETS.

The structure of the market is especially complex, and recognition of how relevant contracts are constructed with regards to responsibilities and pass through of obligations will need to be explored in detail. The impact of placing the MRV obligation on operators is likely to vary depending on the type of facility they are operating. Those operating merchant facilities (typically higher proportion of spot/short term waste supply contracts) are likely to have a larger number of customers, many of whom may be smaller scale businesses, with whom they will need to resolve compliance obligations. Operating facilities dependent on long-term local authority waste supply contracts will effectively need to need to resolve compliance obligations with a major public authority. These two types of customers will have different appetites for compliance which may lead to different outcomes within the same sector. Merchant facility operators may find themselves with more contractual disputes and/or a reduced customer base as some customers may revert to landfill whereas for operators servicing local authority

contracts, there may not be significant changes to MRV arrangements, albeit costs to local authorities will change.

Accounting for the number of different waste contracts typically supplying an individual facility, ensuring compliance with MRV obligations may be challenging for operators. Sampling of waste is typically undertaken periodically with individual waste deliveries loaded into a common waste bunker. If MRV obligations are monitored through post-combustion emissions data, then applying corrective actions on individual suppliers may be challenging or costly. This is because it will not be possible to accurately attribute the source of the biogenic/non-biogenic carbon to the individual waste deliveries. If post-combustion emissions monitoring is opted for (Option A: Individual plant monitoring) a system will need to be established by the operator to allow for the appropriate charges (reflecting the costs of the ETS) to be applied to those depositing the waste.

However, whichever system is chosen, the risk that the ETS imposes on the sector could see the miscalculation of EfW gate fees due to such issues as misidentification of ad hoc waste loads and fly-tipped waste, the overcharging of predominantly biogenic waste loads, and the disguising of waste by unscrupulous waste carriers. That is, it would be extremely difficult to apply the ETS in a consistent and fair manner to the wide ranging heterogenous waste streams that EfW facilities are required to deal with on a daily basis.

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.

To ensure the UK ETS is equitable any new emitters brought into the scheme should, as a matter of principle, and where appropriate, be able to access the Small and Ultra Small Emitter schemes. However, in practice, the requirements for these schemes are unlikely to apply to operators of incinerator/EfW plants servicing waste disposal authorities. The schemes have limits on the amount of reportable carbon dioxide emissions needed to qualify (25,000 tCO_2eq/year for small emitters and 2,500 tCO_2eq/year for ultra-small emitters). We interpret the reference to 'reportable carbon dioxide emissions' as meaning those from non-biogenic materials (in line with IPCC reporting requirements).

We know of no municipal EfW facilities operating at a scale that would qualify for admission to the Small Emitters scheme.

However, notwithstanding our response to Q127, there may be more specialised waste incineration processes with the potential to qualify for the schemes.

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

More details of the scheme would need to be understood in order to make a fully informed decision however, at this early stage the Authority's preference is Option A (individual plant monitoring) in order to determine the ratio of fossil and biogenic CO_2. At this point in time the Authority does not have a preference for either the radiocarbon method or the balance method. Whichever system is opted for the accuracy of the system needs to be understood. It is recognised that implementation of such a system will pose additional burdens on operator in terms of maintenance and costs (please refer also to the Authority's points in Q130 regarding the difficulties with back-charging for deposited waste).

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.

The radiocarbon method offers good accuracy as the analytical technique is widely used and has been regularly refined since its inception, but it is also costly and should only be adopted if it is established all plants being brought into the scheme can implement this method of measurement. However, as detailed in Q130, this method could result in the mischarging of waste streams received on a daily basis by operators as it will be difficult to accurately link the costs to individual waste suppliers. A system will need to be put in place to account for this which could be applied consistently to gate fees. However, it is unclear how this method would deal with natural fluctuations in the composition of waste that appear throughout the year (as discussed in response to Q129) and how this would translate to the ETS allocation.

At this stage, the Authority's preference is for the individual plant monitoring. This is because this approach is likely to provide the most accurate estimation of the biogenic component of the residual waste stream. From a verification point of view this may be more straight forward to administer as samples are lab tested in contrast to the Emissions Factor Approach which would rely on consistent application of international standards for composition analysis on industry which could be difficult to monitor.

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.)

Spot monitoring of mixed waste is open to improper charges being applied, that is over or under charging for different types of waste with different fossil carbon content. There is also potential for chargeable waste streams to be intentionally mixed or hidden. Moreover, the heterogenous nature of waste means that this method could not be factored fairly and consistently to each waste load treated by an EfW.

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.

No, providing the additional costs do not exceed landfill gate fees including tax. A co-ordinated approach to fiscal measures will be necessary to ensure the Landfill Tax regime and ETS support waste hierarchy priorities (at least between the recovery and disposal tiers).

NLWA recognise there is potential for waste streams to be pushed down the waste hierarchy if the waste market is not balanced to reflect the financial impacts of the scheme i.e. landfill tax increases. If gate fees increase substantially there is the potential for increased fly-tipping and waste crime.

The policy must also recognise and address the possible outcome of increased organised waste crime which would need to be matched by increased local expenditure on policing against rogue waste operators and illegal fly-tipping. The extent of the waste crime problem was highlighted in a recent National Audit Office report which highlighted that the large rise in the standard rate of landfill tax had increased the returns criminals can potentially make from certain types of waste crime. At the same time, there has been an increase in the money criminals can make by avoiding landfill tax through the misdescription of waste, illegal waste

sites, and some types of fly-tipping. Organised crime groups have become more involved in waste crime. The 60 organised crime groups monitored by the Joint Unit for Waste Crime (Joint Unit) have extensive involvement in other types of crime – 70% are involved in specialist money laundering.

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.

No, the UK ETS should apply to fossil-based carbon dioxide.

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)?

As stated in response to Q124, the cost of the ETS could results in a near doubling of waste fees in the long term which would be passed to local authority and ultimately north London residents. This would therefore lead to pressure on council tax and an increase in costs to communities. However, there would be no "price signal" or incentivisation to citizens because waste costs are covered in council tax, which is based on property value. Waste costs are unrelated to the volume and nature of waste produced by any given household.

As stated in response to Q126, the application of the ETS to waste incineration and EfW could detract from other initiatives in support of the Authority's primary duty to treat and dispose of waste from its constituent boroughs.

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.

The ETS is likely to have very little impact on the composition of the waste stream as discussed in response to Q126. This is because waste operators have little control over the composition of the waste stream. To achieve real reduction in carbon emissions can only be achieved by a societal change of significant proportion and would require all areas of the economy spanning manufacturing change, and technological developments with a significant uptake of waste prevention initiatives and behaviours.

NLWA believe costs would simply be passed-on to local authorities. This would increase the costs on already under-resourced local authorities and bring pressures to reduce other local authority budgets.

It is worth highlighting that modern EfW facility are already extremely efficient as regards energy production. This is something the industry has refined for many years both from a commercial perspective (i.e. the more effective the plant is at energy recovery the more potential revenues can be gained from energy production) and from a regulatory perspective through the Best Available Techniques References documents which are mandated through the environmental permitting process. As such incentives are already in place to improve operations and the ETS is unlikely to provide further significant stimulus.

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.

This not a realistic prospect. Local authorities already take action – through the design of services and through communication - to encourage residents to recycle as much as possible. The application of ETS will not be a factor which will resonate with residents or motivate them to behave in a way which they otherwise would not. There could be some benefit if a portion of the ETS were hypothecated to drive decarbonisation of the input waste stream.

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.

NLWA strongly supports the implement of CCS in line with the Climate Change Committee's recognition that this is the best solution for the waste sector's long term contribution to achieving net zero emissions. It also recognises that there is no solution for waste disposal which does not involve carbon emissions. The Authority ahs developed a CCS strategy in relation to the Edmonton facility and seeks Government support and engagement to make this a reality.

Attaching an increased cost to carbon emissions from EfW plants through the UK ETS provides a financial incentive to invest in measures which reduce the cost of purchasing carbon allowances.

However, it does not of itself drive the successful implementation of CCS. CCS depends on technical developments, and development of large scale transport and storage systems for the benefit of all major emitters in the country (going well beyond the waste sector). This involves a major Government role in facilitating developments building on and going beyond current measures to support implementation of this new infrastructure. For an Authority like NLWA it is more effective to allow the Authority to focus on plans for implementation of CCS rather than divert staff and commercial resource to managing the uncertain consequences of premature inclusion of EfW in the UK ETS.

NLWA agrees that financial mechanisms should be developed so that EfW plants equipped with CCS can provide a service at comparable cost to those without CCS – the facilities with the best environmental performance should not be made less attractive to customers.

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, NLWA anticipates costs simply being passed to LAs as soon as the carbon price is applied, with the potential of disproportionately impacting the poorest residents. This may detract from other council services and efforts to improve the management of household waste through, for example, waste prevention and recycling communication activities.

Moreover, the difficulty in implementing such measures as CCS at dispersed sites would mean that the UK ETS would essentially result in a geographic tax being applied to those least able to afford it.

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 a positive solution if local authority plants also accept commercial waste generated in the area. This avoids waste generated by businesses in the locality being transported long distances which adds to the environmental impact. Therefore local authority operators would have the technical challenge of allocating ETS costs in a fair way between local authority and other customers.

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.

If the scheme is to go ahead then NLWA agrees that phased introduction should be adopted. This will also allow for observations of the impacts of other polices such as Deposit Return Scheme (DRS), Extender Producer Responsibility (EPR), and the introduction of the plastics tax to be assessed.

The initial introduction of a sliding scale for free allowances would provide an allowance for mechanisms to be established and work correctly and allow for future reviews and resetting.

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.

This answer depends on if and when European EfW facilities are to be included in the EU ETS. Including EfW plants in the UK but not the EU could see domestic facilities exposed to an increase in the commercial competitiveness of European facilities due to lower gate fees resulting in a distortion in the marketplace. This would lead to the incentivisation of RDF export unless there is a balancing of the UK and EU markets and costs. One 'balance' that could be implemented as a further fiscal measure is additional customs duties for exports, which may also work towards reducing the potential for an increase in waste crime.

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?

Without markets for fossil-based materials (plastics) recovered from residual waste and/or the maintenance of gate fee parity between incineration and landfill there is the potential for fossil-based plastics to be diverted to landfill, increasing the quantity landfilled beyond current levels. Whilst the landfilling of plastic would, for all practical purposes, prevent the release of fossil carbon to the atmosphere the proposal has the potential to move the management of this particular waste fraction down the waste hierarchy. Government will need to address market development, including quality standards and end-of-waste criteria if the intention of the UK ETS is to facilitate the removal of fossil-based plastic from incinerator feedstock, without diverting it to landfill.

For many urban authorities waste incineration and EfW offer the best means of addressing the Proximity Principle. Urban authorities also tend to have more social housing including flatted accommodation. This type of housing does not afford the same opportunities for waste segregation and storage as some other types of housing. The application of UK ETS to the waste incineration/EfW sector could, therefore, more heavily impact some geographical areas and societal groups than others.

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

There are forthcoming policies and measures that may support decarbonising waste incineration and EfW, such as Plastic Packaging Tax, EPS and DRS. Whilst these are not strictly additional policies it may be that, after a suitable period of operation and evaluation, additions to these policies and measures are identified that further support UK ETS and decarbonisation of the sector. Regular, say five-yearly evaluation, of these policies and measures would allow for regular fine-tuning, which, over time, would likely become focused on any remaining 'problem' areas.

In relation to waste incineration and EfW it can be argued that UK ETS is an end-of-pipe solution to a problem that might best be addressed further upstream through the development of material (and design) policies that minimise, and ideally prevent fossil-based carbon from entering the residual waste stream. Over time such policies are, in our view, likely to have a larger impact on residual waste composition (and by extension decarbonisation) than policies where material separation choices are still influenced by waste producer behaviours. It should be remembered that operators of waste incinerators/EfW facilities and the LAs they serve do not have full control/influence over the composition of the residual waste they receive. Indeed, 'front-end' policy is arguably a better means of conveying 'resource' messages, not least because the advertising power of the material/product manufacturers and sellers could be utilised. And, as mentioned elsewhere in this response, the implementation of what is effectively a tax on LAs will not generate the same level of change as the Landfill Tax achieved because the alternatives are less and also more complex.

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?

As previously mentioned, the introduction of DRS and EPR have the potential to impact the composition of residual waste received by waste incineration/EfW facilities. The impacts of this need to be evaluated and the UK ETS should be shaped accordingly. A tax at the end-of-pipe is not necessarily the best investment incentive for progressive waste management unless viable alternatives are available. Viable alternatives require functioning markets. Government, therefore, needs to consider and facilitate changes in recycling markets that will support the recycling of post-collection materials separated from residual waste as currently the quality of such materials makes them unmarketable. Without this support implementation of UK ETS may simply further increase waste management costs for no environmental and social gain.

Government is also consulting on the application of CCUS to waste incineration/EfW. The expansion of UK ETS to the sector could jeopardise investment in CCUS or increase the costs associated with waste incineration/energy recovery (if CCUS is mandated) to a level where landfill (without substantial increases in Landfill Tax and/or its inclusion in the UK ETS) becomes the more financially attractive option.

CCUS should be promoted ahead of UK ETS as such systems capture both fossil and biogenic carbon, unless Government is considering UK ETS as a behaviour change mechanism – in which case Point of Sale mechanisms are likely to be more effective.

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, landfill needs to be considered. In previous responses NLWA has raised several points of the importance of landfill considerations required within the application of the UK ETS. Not

least that there needs to be appropriate relatively between the treatment/disposal alternatives for residual waste; including landfill.

Environmental Targets Consultation (waste section) - North London Waste Authority Response

Link to consultation: Consultation on environmental targets - Defra - Citizen Space

Closing Date: 27 June 2022

Reducing residual waste

1. *Do you agree or disagree with the proposed scope of the residual waste target being 'all residual waste excluding major mineral wastes'? [Agree/Disagree/Don't know]*
   [If disagree] What reasons can you provide for why the government should consider a different target scope?

It is positive that the Government has agreed to set targets in the Environment Act 2021, and we welcome that waste is recognised as a top priority. However, we feel strongly that Government's approach and the scope of the target needs to focus on driving the minimisation of residual waste at source, concentrating on producers and the measures they are taking to reduce materials in manufacture (as per the waste hierarchy). There is currently no clear roadmap included with the target for achieving this. The proposals to measure waste at the end point of its management and requirement for local authorities to provide data on this, seems to put a considerable onus on them. Despite this, they cannot influence waste created at source. Once waste is in the system and at the consumer level, the levers to reduce it are limited.

As referred to in the consultation document, we understand mineral waste in this context is defined as 'largely inert waste from construction and demolition, and excavation and mining activities'. We assume therefore, the definition does not include mineral wastes containing dangerous substances from physical and chemical processing which will be harmful to the environment.

As the target stands, we agree that harmless mineral waste should be excluded. As a waste authority responsible for disposing of the waste of 7 north London boroughs, we do not handle significant amounts of mineral waste. Excluding non-harmful mineral waste from the target allows for a focus on dealing with waste which has a greater environmental impact.

However, we would ask that Government consider what is being done to reduce all types of mineral waste (inert or not) and to consider whether the above target alone will drive the right behaviours in big business. From our understanding, the majority of waste produced by big construction companies/developers is mineral waste, and some of this may be harmful. Not having a target set to reduce it means the amounts sent to landfill will stay the same, which will not mitigate the environmental impact.

2. *Do you agree or disagree that our proposed method of measuring the target metric is appropriate? [Agree/Disagree/Don't know]*

   [If disagree] What reasons or potential unintended consequences can you provide or foresee for why the government should consider a different method?

We agree that kg per person (by population) is a better method of measuring the target metric than on a per household basis. We believe this will allow for better benchmarking between local authorities.

However, we would recommend that the Government consider moving to a more sophisticated carbon-based metric in the future or introducing this as an additional measurement to be used in conjunction with a weight-based target as both kg per person and per household can be problematic measurement systems. Many areas have different dwelling types, spending power, demographics, and other socio-economic factors meaning that a single weight-based measurement system is flawed. The rising cost of living will only likely make this more pronounced.

Any measurement system/s, however, need to be consistent across organisations. It is currently unclear how details of the proposed measurement system will work, and whether Government will break this down by individual local authorities.

3. *Do you agree or disagree that local authorities should have a legal requirement to report this waste data, similar to the previous legal requirement they had until 2020?*

Councils are able to report good quality data, but this should be considered alongside additional burdens currently coming into force which will increase pressures on local authorities. This includes consistent collections, and the proposals for mandatory digital waste tracking to be applied to local authorities following on from other reforms to waste and recycling services, such as the introduction of Extended Producer Responsibility for packaging (EPR). The government needs to be clear about whether and when additional resources/ funds will be provided to support these new burdens.

Commercial and industrial waste also makes up for a significant proportion of overall waste. Local Authorities should not be the only bodies required to report waste data, and business waste (where a business employs above a certain number of people) should be subject to the same requirements. Government should introduce a system to capture commercial and industrial waste, and the responsibility for reporting this should sit with waste collection and disposal companies. Such a system for capturing commercial and industrial waste data will need to be sufficiently straight forward so that reporting will be accurate and timely.

The target applies at a national level. There is a danger that the public will assume that those collecting data have the sole responsibility for achieving progress – this is already the case in relation to recycling. Therefore communication of data must be accompanied by clear messaging that the Government has the lead responsibility for achievement of the target.

4. *Do you agree or disagree with the level of ambition proposed for a waste reduction target?*

Government propose to reduce residual waste (excluding major mineral wastes) kg per capita by 50% by 2042 from 2019 levels. It is proposed that this will be measured as a reduction from the 2019 level, which is estimated to be approximately 560 kg per capita.

As highlighted above, we believe it is positive that the Government have agreed to set a waste target and welcome ambitious targets if there is a clear and feasible route to achieving them.

NLWA feel that the roadmap to achieving this target is at present, unclear and undefined. Government needs to give greater clarity on the contribution required from different sectors and the pace of change that will be needed to ensure targets are achieved. System wide measures and milestones must be set out, including commitments from the Government along with powers to help supporting bodies (including local authorities) to achieve the target.

The consultation paper states that changes set out in CPR are only expected to help achieve halfway towards the target. It states that meeting the 50% reduction target will require progress beyond the current commitment to achieve a 65% municipal recycling rate by 2035 and would represent a municipal recycling rate of around 70-75% by 2042.

There are no details outlining whether the Government will give additional funding and resources to help achieve either the waste target or the new proposed recycling rate. The Government must be clear about what additional responsibilities are likely to be placed on councils as a result, and what powers they will give councils to help achieve this. For example, giving local authorities the necessary funding and powers to make recycling compulsory would help. This would prevent valuable recyclables items being put into the residual waste stream and boost resources for the circular economy.

There also need to be a recognition that the 65% rate is an overall UK wide target, and different boroughs will contribute differently to this target depending on their demographics.

As emphasised above, ultimately, Government's approach needs to focus on the avoidance of waste in the first place, concentrating on producers and the measures they are taking to reduce waste at the source.

Household waste recycling centres: DIY waste disposal charges and booking systems - North London Waste Authority Response

Link to consultation: https://www.gov.uk/government/consultations/household-waste-recycling-centres-diy-waste-disposal-charges-and-booking-systems

Closing Date: 4 July 2022

Proposal

To clarify in legislation when construction waste should be treated as DIY waste andshould therefore be classified as household waste. We have set out in Appendix A the types of waste materials that might be included in DIY waste, however, this is a non-exhaustive list.

We consider DIY activities to include any construction work, such as building, decorating, or repairing activities, carried out by householders by themselves in their own homes. This would not include, for example, a whole house renovation, or any work done by a tradesperson, but it might include the householder tiling a kitchen, plumbing in a sink, plastering a room, building and installing shelving, building a raised bed for a garden etc.

The government's policy is clear that householders should not be charged to dispose of DIY waste at HWRCs. We propose that construction waste should be considered DIY Waste and classified as household waste in the 2012 Regulations when it meets certaincriteria. We propose that these criteria are:

- The construction waste is produced by householders whilst carrying out construction works themselves at their home. Construction is defined in the 2012 Regulations as including improvement, repair or alteration.

- The construction waste is not produced as a result of commercial activities or by a commercial contractor charging for work in a domestic premises.

- The construction waste is of a volume, which is no greater than 300L (based on the approximate boot size of a family car).

- The construction waste is not produced on a regular basis requiring HWRC visits more frequently than once a week.

The proposed criteria are intended to allow householders to deposit DIY waste for free (as it should be treated as household waste) but for local authorities to still be able to charge for other construction waste, which is classified as industrial waste. For example, if a householder brought more than 300L of construction waste to the HWRC or brought 300L of construction waste to the HWRC on a regular basis, it would not be DIY waste and could be charged for. Equally, if a tradesperson brought any amount of construction waste,it would still be industrial waste.

6. Do you agree or disagree with these technical principles when the Government amends the 2012 regulations

NLWA disagree and believe the technical principles and the criteria proposed below need further consideration and thought.

Our HWRCs do not currently charge for householders to deposit DIY waste. This is with the exception of Barrowell Green (which is operated by Enfield Council), where DIY waste is not accepted. Enfield Council offer a bulky waste collection service for some DIY materials in its place (there is a small charge for this).

Each household can take up to six standard rubble sacks of soil/rubble to other RRCs each month. This includes concrete, brick, stones, pebbles, soil, sand and gravel. A standard rubble sack is 51cm by 76cm (20 inches by 30 inches) or equivalent.

We do not plan to introduce charges for DIY waste at the current time, though we would like to reserve the right to do so if the material we are expected to accept becomes excessive.

We would ask the Government, to consider the potential problems with seeking to classify 'DIY waste as construction waste'. On the Government website, the term 'construction waste' is used as an overarching category for insultation and asbestos materials, concrete bricks tiles and cement, bituminous mixtures, coal tar and tar soil, contaminated soil or gypsum (https://www.gov.uk/how-to-classify-different-types-of-waste/construction-and-demolition-waste). Hazardous material wouldn't be accepted at a waste transfer site. The Government should consider how it will engage residents to communicate that they are referring to basic household building waste outlined in appendix A and not some of materials in the category above. The proposed criteria currently do not safeguard against this, meaning there will potentially be increased abuse by traders and HWRCs will receive problematic materials that they may not currently have the means to dispose of.

NLWA would also question the implication in the consultation that charges for DIY waste at HWRCs more generally have led to a potential increase in fly-tipping. Last year, WRAP published a report, 'The relationship between fly-tipping rates and HWRC charging' (WRAP's 2021 research) based on over 12 months of research and analysis of local authority charges for 'DIY' waste and rates of fly tipping to establish whether there is an association. The conclusion from the report does not show that those local authorities that have introduced charges for some HWRC waste have higher fly-tipping rates than those without charges. Rather than seek to amend the classification of waste, we would urge Government to work with local authorities to tackle the root causes of fly tipping (evidence is that fly tipping arises as a result of pre-meditated actions and/or a lack of care over responsible waste disposal).

We would also highlight that these proposals will, to some extent, lessen the incentive to avoid generating waste in the first place. Whilst it is important to ensure that residents have a safe and responsible place to dispose of waste, the proposals do not support the principal of waste reduction or a shift in thinking around consumption to ensure that we are using all opportunities and measures to discourage waste creation. This is the only way to support efforts to meet the challenging UK environmental targets.

7. Given the Government's stated policy, do you agree or disagree with these tests on whether construction waste should be treated as DIY waste and classified as household waste, and should not be charged for when disposed of at a HWRC, when:

- The waste is produced by householders whilst carrying out small-scale construction or demolition works at their home

As the proposal stands, NLWA disagree with this criterion. NLWA agree in principal that householders should be allowed to dispose of a reasonable quantity of DIY waste at

HWRCs, but feel that ‘small-scale’ is not an adequate definition. There should be a clear limit on the amount of waste that is accepted. The amount (300L) per week outlined below is very difficult to enforce (please see fuller explanation below).

- The waste does not arise from activities that generate an income for the person who carried them out

While NLWA agrees that work carried out by companies or contractors is clearly commercial and so should not be entitled to free disposal, this proposal is much more complex. For example, if a householder carried out DIY improvements which allowed them to gain income from letting a room, that would mean the work generated an income, but in practice this would be impossible to detect or enforce. Therefore, we are concerned about the definition of this test.

- The waste is not produced on a regular basis requiring HWRC visits more frequently than once a week.

NLWA disagree. Once a week is too frequent and the figure should be more infrequent (please see fuller explanation below).

- The volume of waste is no greater than 300L (based on the approximate boot size of a family car).

NLWA disagree, and feel the limit of up to 300L is extremely hard to enforce as most car boots are larger than this (please see a fuller explanation below)

8. If you have disagreed with the inclusion of any of the above criteria, please state why, indicating which part of the criteria you are referring to in your response.

NLWA agree in principal that small-scale basic household DIY waste produced by householders whilst carrying out small-scale construction or demolition works at their home should not be charged for.

Despite being the UK’s second largest waste authority, serving over 2 million residents, NLWA receives no comments or complaints from residents concerning the disposal of DIY waste. This suggests that there is no need to introduce heavy handed requirements when current arrangements successfully serve local needs. This is an issue where local authorities are best placed to determine arrangements which respond to local circumstances, the capacities of the HWRCs.

The proposals combine a curious mixture of very specific proposals and vague rules. These will undoubtedly create confusion and problems on site. An example of a very specific proposal is the suggested limitation of DIY waste to 300 litres per week. However, the majority of car boots are larger than 300 litres, therefore this does not seem a practical limit which will be readily appreciated by residents. An example of a vague rule is the proposal that eligible waste should be that produced by householders whilst carrying out small-scale construction or demolition works at their home – it is in practice impossible to ascertain the scale of works from the waste delivered to an HWRC.

Local authorities are in a position to balance the requirements of successful management of HWRCS while meeting residents’ needs. By seeking to override local arrangements, there is a severe risk of introducing inflexible requirements with unintended consequences which cause more problems than they solve.

9. Do you have any other views on the technical circumstances in which construction waste should be considered DIY waste and classified as household waste?

As stated above, there are problems with treating DIY waste as 'construction waste', when the former term encompasses waste materials. The definition includes hazardous waste which we would not be able to accept. Some of the materials in appendix A are also potentially hazardous. The terms need better definition, and the list (appendix A) needs to be reviewed.

As highlighted above, we would emphasise again that these proposed limits will be very difficult to enforce. It is difficult to use CCTV or ANPR to monitor the amount of DIY waste each householder brings. The consultation suggests that where a resident is renovating a whole house this material could be charged for – this is not going to be possible to monitor in practice. It could lead to residents breaking up loads into smaller amounts and will generate more trips and more carbon emissions for the same eventual volume of material. The only way to establish whether a householder is making frequent visits is through a well-managed booking system, but the second part of this consultation is proposing this should be reviewed and possibly disbanded. The booking system also gives us notice to prepare, and ensure adequate staff and containers are on hand to meet expected demand and help people recycle/dispose of DIY waste properly.

The consultation states that it is important that local residents are able to dispose of their rubbish in a responsible and convenient manner. We would argue that this precisely the service which we and other local authorities provide.

Call for evidence on booking systems at HWRCs

11: Do you currently have a HWRC booking system in place?

x Yes
€ No

12: What type of booking system do you operate?

x Residents contact us to book a specific slot
€ Residents use sites at certain times based on address, number plate, etc.
€ Other (please specify)

13: Please outline the key reasons why you have a booking system in place

In March 2020, as part of the first national lockdown, our RRCs were required to close. On 13 May 2020, RRCs reopened in north London. NLWA and its contractors introduced temporary changes to the RRC operation including the new booking system. These were designed to help residents and staff maintain social distancing and avoid extensive queuing and disruption affecting roads around sites when capacity at the RRCs was limited.

Besides those specific to the pandemic, the introduction of the booking system has had some demonstrable benefits, which has contributed to the decision to keep it in place:

- **Increased predictability and reduced waiting times for residents:** When residents book a slot, they know that they are guaranteed timely access to the site where they have booked. Queues have previously been a feature at sites during summer and bank holidays. The booking system has reduced instances of

this, meaning residents have not had to spend lengthy periods waiting to access sites.

- **Better data on visitor numbers:** The booking system gives us a regular accurate analysis of the number of visitors. Prior to 2020, visitor numbers were assessed by surveying every two years.

- **Service efficiency and capacity:** Operationally, the booking system improves our service offer. Adequate staff and containers are on hand to meet expected demand and to help people recycle properly.

- **Better Communications:** The booking system has enabled effective and targeted communications with residents, encouraging them to use the service to recycle items and prevent waste.

- **Improved flow of materials:** The booking system has enabled a steady and managed flow of material into sites which allows material to be directed to the right place.

- **Consistency of arrangements for visitors:** Prior to the introduction of the current booking system, the authority had operated a booking system for vans only. This was necessary to guard against commercial waste being improperly deposited at RRCs. If the comprehensive booking system ceased, the authority would revert to operating a van booking system.

- **Better user experience** The ease and popularity of the booking system has been tested with users. 43% of residents surveyed in July 2020 agreed the bookings system had improved their experience of the RRC, with a further 34% indicating it had no impact on their experience. It would be more complex to survey those who have not used the system but wished to visit RRCs. Only 9 enquiries concerning the booking system were received in 2021/22 and no complaints.

Our Members are aware that while the booking system has improved the onsite experience, it is also important that residents are not put off from using sites because of the booking system being perceived as a bureaucratic obstacle. Therefore residents can arrive without bookings and will be able to gain access to the site if there is capacity. In addition we continue to keep the booking system under review and will cease to use it if it becomes apparent that it is unnecessary or detrimental to residents.

13: Please outline the key reasons why you do not have a booking system in place.

N/A

15: What are your future plans for the booking system?

X retain indefinitely – subject to ongoing review and continued consideration of the benefits of the system

16. Please outline any evidence you have on the impacts of the booking systems on recycling levels in your area

The recycling rate from HWRCs over the years of the pandemic has stayed relatively stable (71.12% in 2019 and 71.39% in 2021). This suggests the booking system is not having an impact on recycling levels at RRCs in the north London area.

There has been a drop in tonnage and visitor numbers at RRCs. There are other factors that could be influencing this. Our boroughs' service offers have evolved and become more resident-focused. For example, kerbside services increasingly include the collection of small electrical items, textiles and garden waste (chargeable) residents can also book household bulky waste collection service. We would also highlight that community skips are now provided in our area, and these are free to use, making it easier to deposit rubbish responsibly elsewhere.

There are some indications that reductions in visitor numbers and tonnages are also a result of a reduction in inappropriate commercial and industrial waste being deposited at sites.

The consultation document states there are increasing concern that in some cases booking systems are discouraging HWRC use, with a risk of both increased residual waste and fly-tipping as a result. We have looked at Borough generated data and have not seen any evidence of an increase in fly-tipping since the booking system has been in place. Moreover, behavioural evidence is that fly tipping arises as a result of pre-meditated actions and/or a lack of care over responsible waste disposal. Therefore, a brief administrative process to book a slot at RRCs is unlikely to be a decisive factor in causing fly-tipping.

17. Please outline what other restrictions, if any, you impose on residents bringing waste to your HWRCs? For example, limits on size or on vehicle type can use.

There is a height restriction barrier at most our RRC sites (generally 1.85m). At some sites, the height barrier will be opened for cars or vans above this height.

As above, each North London household can take up to six standard rubble sacks of soil/rubble to an RRC each month. This includes concrete, brick, stones, pebbles, soil, sand and gravel. A standard rubble sack is 51cm by 76cm (20 inches by 30 inches) or equivalent.

Trade (commercial) waste is not accepted at any of our RRCs. However, we have created a list of local facilities that do accept trade waste.

18. Do you use measures such as ANPR or similar approaches at your HWRCs?

We do not use ANPR at our HWRCs.

Barrowell Green RRC (operated by Enfield Council) is monitored by Automatic Number Plate Recognition and CCTV cameras are in operation 24 hours a day.

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