

Incineration Overcapacity: UKWIN's Response to ESA comments

23rd September 2022

The ESA, who represent many companies from the waste incineration industry, has provided their view on UKWIN's claims regarding incineration overcapacity in England.ⁱ UKWIN responds to the ESA's comments which, while off-target, we find to be highly revealing.

ESA Statements:

- **Hayler [from the ESA] said UKWIN's figures were wrong as it assumed all projects with planning permission would be built, whereas the market was unlikely to support this.**
- ***"The analysis presented in this report is predicated on the flawed notion that all projects with planning consent will be delivered."***

UKWIN Response:

It is telling that the ESA is claiming that the market would not support all of the incinerators with planning permission going ahead. Nevertheless, UKWIN's analysis does not assume that all such projects will go forward.

As set out in UKWIN's briefing and methodology paper, our work differentiates between existing incineration capacity (operational or under construction), capacity with both planning permission and a permit, and capacity with just planning permission (i.e. without a permit), finding overcapacity even if no new incinerators were to enter construction.

Furthermore, **more than 1 million tonnes of capacity** from projects with planning permission and an environmental permit, but which appear not to be progressing, were excluded from our figures which would otherwise have been much higher, e.g.:ⁱⁱ

- **330 ktpa** at St Helens, the future of which was recently reported as under review.ⁱⁱⁱ
- **160ktpa** capacity at Bulwell which is listed as 'Under Construction' in the Government's REPD Database' but progress appears to have stalled.^{iv}
- **157ktpa** capacity on Sinfin Lane, Osmaston in Derby where the Councils have the option of bringing the constructed facility back into use.
- **148ktpa** capacity at Keighley in West Yorkshire.
- **113ktpa** capacity at Ratty's Lane, Hoddesdon in Hertfordshire which treated waste in 2019 and 2020 but subsequently mothballed in 2021 but in our understanding retains both planning permission and a permit.
- **86ktpa** capacity at King George Dock in Hull which has planning permission to burn refuse derived fuels.

While UKWIN has been fully transparent about the basis of our calculations, the ESA has not provided any detail regarding which incineration schemes they are aware of and their view on each scheme's likelihood of being brought forward.

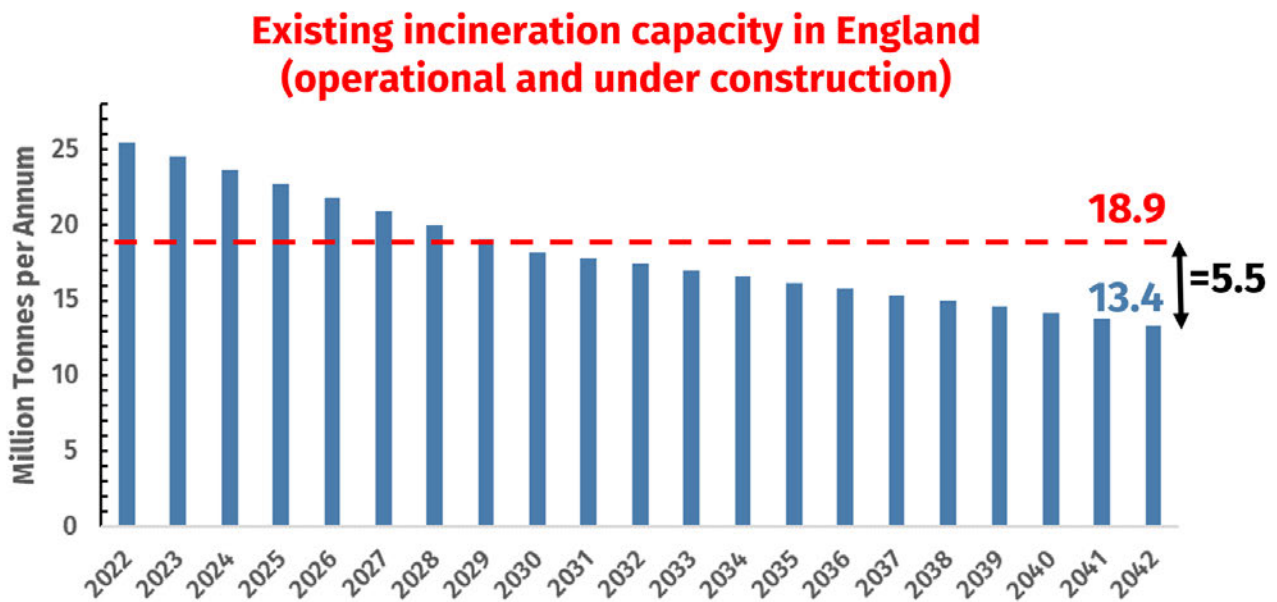
The ESA's incorrect statement that UKWIN's overcapacity figures included every single plant with planning permission could suggest that, despite commenting on the topic of incineration overcapacity, the ESA is not conducting their own comprehensive monitoring which would have prevented them making such a significant blunder. However, if the ESA is keeping track of incinerator projects and their likelihood of delivery, and simply failed to make good use of this information, then we would be more than happy to review their data.

ESA Statement:

- **“Energy recovery infrastructure development is now a mature market in the UK and investors are well aware of the factors and future scenarios likely to affect waste volumes; the subsequent viability of plants and the security of their investments – which includes emerging resources and waste policy and targets.”**

UKWIN Response:

The ESA has not provided any evidence to support this statement that the market can be relied upon to avert the worsening of overcapacity in England without the need for a moratorium, nor have they responded to the evidence (referred to in UKWIN’s briefing) from a Tolvik Director that the market has not been basing their decisions on the best available information or the most realistic assumptions.^v



18.9Mt Capacity – 13.4Mt Feedstock = 5.5Mt Overcapacity

The very fact that England faces overcapacity based on facilities currently operating and under construction (see chart above), even before any new capacity is considered, indicated that the market cannot be relied upon to prioritise recycling over incineration. This too is addressed in UKWIN’s briefing, and the ESA has not disputed UKWIN’s evidence that there are a range of externalities that unfairly favour incineration over other treatment options.^{vi}

When UKWIN raised with the ESA the fact that many incineration proposals and contracts are premised on low recycling rates their response was that they do not ‘control’ their members.

While the ESA might not be able to dictate their members’ actions, UKWIN would appreciate the ESA publicly warning their members about the risks and undesirability of incineration overcapacity, and the imperative of ensuring that not all schemes with planning permission go ahead.

ESA Statement:

- **Hayler [from the ESA] said he expected energy recovery capacity to peak at a much lower level than that suggested by UKWIN before dropping off from the 2030s onwards as plants reach the end of their operational lives.**
- ***“If policy measures to significantly reduce residual waste volumes are successful, then existing capacity is unlikely to be replaced.”***

UKWIN Response:

The ESA does not provide even a ballpark figure to indicate the level of capacity that they anticipate, nor does the ESA explain why they believe that capacity will peak at that level. However, it appears that the ESA’s position is that there will not be enough feedstock to feed all existing incinerators. If this is indeed the case, then the ESA appears to support UKWIN’s case for a moratorium on new incineration capacity in England.

ESA Statement:

- ***“Lots of uncertainty currently remains, however, around the policy drivers needed to increase recycling and poorly conceived reports like this are distracting at a time when UK policymakers must remain focused on delivering the reforms needed to maximise recycling and underpin investment in new recycling infrastructure.”***

UKWIN Response:

The ESA’s position is at odds with the position of the Climate Change Committee (CCC) which, as set out in UKWIN’s briefing, told Parliament in June 2022 that *“action is required to avoid an over-reliance or over-capacity of incineration”* because *“continued, unchecked growth could undermine the sector’s contribution to UK emissions targets and efforts”* and so the CCC has called for an urgent review of residual waste treatment capacity.^{vii}

The CCC explained that incineration overcapacity is a threat to higher recycling rates, stating that *“If EfW usage is left to grow unchecked, EfW emissions will quickly exceed those of the CCC pathway while undermining recycling and re-use efforts”*.^{viii} This is a clear rejection of the notion that the market could be relied upon to prevent incineration from harming recycling. As set out in UKWIN’s briefing, there is plenty of evidence that incineration competes for feedstock with recycling and composting.^{ix}

As such, in stark contrast to the position adopted by the ESA, addressing incineration overcapacity is essential to maximising reduction, re-use and recycling and minimising the sector’s climate impact.

Capping the level of incineration capacity would allow for greater certainty, that would in turn support decisions to invest in the higher tiers of the waste hierarchy. As set out in UKWIN’s briefing, after giving the matter serious consideration, both the Welsh and Scottish Governments decided to introduce a moratorium to support the move towards a more circular economy.^x The ESA has advanced no explanation why England would be the exception to this logic.

The UK Government has already set out measures to boost recycling, including the separate collection of food waste and an extension of the range of recyclable materials collected at the kerbside. UKWIN’s briefing and methodology paper sets out why the UK Government believes that their target to halve the amount of residual waste by 2042 is both desirable and achievable, including an expectation that additional measures will be brought forward by the Government in due course.^{xi}

References

- i [REDACTED]
- ii [REDACTED]
- iii [REDACTED]
- iv <https://www.gov.uk/government/publications/renewable-energy-planning-database-monthly-extract>
- v [REDACTED]
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- x <https://gov.wales/wales-takes-action-circular-economy-funding-upcoming-reforms-plastic-and-moratorium-large-scale>
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