

## 1. FELLOWS ENVIRONMENTAL NEWS UPDATE – 03 JANUARY 2014

### 1.1 Schemes

#### Rural Community Energy Fund

Government has announced a £15million fund to encourage rural communities to generate their own clean green power. The RCEF has been launched primarily to help communities with the costs of organising feasibility studies and applying for planning permissions. Energy and Climate Change Minister, Greg Barker, has stated that grants up to £20,000 are available for feasibility studies with the option for a further £130,000 loan to help cover project costs. The Fund will be run by [WRAP](#).

#### Green Investment Bank Investment

The GIB has revealed that it has directly invested £635m in its first year of operations, with a net loss of £6.2m. The first five months of the 12-month period saw commitments made to fund 11 transactions totalling £2.3b with the expected developments set to contribute 9.5% of the UK's renewable electricity by 2020. Every £1 invested has led to a further £3 investment from private sources.

#### Green Deal Government “Community Scheme” Funding Boost

The Green Deal received a welcome £20m boost from Government. The Communities Scheme funding has been provided to aid Local Authorities with the task of rolling out Green Deals on a street-by-street or area basis. Local Authorities will bid for finance from the £20m fund to offer extra incentives to the targeted areas specified with greatest need and/or potential for the residential insulator improvements.

The news is possibly a response to the low uptake experienced by the scheme. In its first 5 months, whilst 38,259 Green Deal assessments have been recorded, only 5 Green Deals have been agreed. A further 241 Deals are set to be signed but software and legal issues have hindered the uptake further. The Government predicted the uptake of 10,000 Green Deals for 2013.

#### Domestic RHI Levels Released

DECC has confirmed the amounts that households will be paid for generating heat from renewable sources as part of the RHI scheme which is introduced to act as the FiT scheme does for electricity generation. Air Source Heat Pumps will receive 7.3p/kWh of heat, Biomass Boilers 12.2p/kWh, Ground Source Heat Pumps 18.8p/kWh, and Solar Thermals will receive at least 19.2p/kWh. The Tariffs are being introduced to promote the uptake of heat generation technologies at residential properties but unfortunately, the publication of non-domestic Tariffs, which was originally due at the same release date, has been delayed for now.

#### AD Loan Fund

Government has announced that a £3m funding pot has been set up for the development of small-scale AD facilities. Up to £400,000 can be applied for by farmers for on-site AD technology. AD is supported by Government because of its ability to reduce the farm's demand for energy whilst also creating a useable bio-fertiliser as a by-product of the process of organic material breaking down to release methane.

### 1.2 Documents Released

#### ESA Circular Economy

The ESA has published a detailed guidance [report](#) outlining 10 recommendations to help the waste and resources industry deliver a circular economy. The key recommendation is for a Ministerial position at the Department of Business, Innovation, Skills (BIS) to be created to lead on resource efficiency across Government.



Highlighted in the report, is the importance of improved product and packaging design including the evasion of different materials being fused together. Also, ESA state that less glass should be collected in commingled material, but that which is should be sorted by optical sorters to re-melt quality. The report also offers support for recycling at MRF facilities rather than single stream collections.

The ESA believe progress to a circular economy is slow due to limited demand for recycled products, volatile markets and that many of the perceived “easy” wins to boost recycling have already been implemented. However, it states that a move to a circular economy could be worth £10bn in terms of investment in the UK.

### Green Investment Bank Anaerobic Digestion Market Report

The Green Investment Bank has released a [market report](#), in collaboration with SLR Consulting, on Anaerobic Digestion to help improve industry and investor understanding of the industry and identify barriers and opportunities for investment. The GIB is already making equity-investments in AD projects, but wants to overcome what is seen as a major barrier to getting projects off the ground by providing enough funding for senior debt financing.

The report shows that, although the AD industry is growing at a fast rate, it is a fragmented and immature market without any leading investors and with a great variation in operational performances. The report suggests around £650m worth of funding is required through a range of equity and debt funding with the main barriers being seen as: feedstock selectivity, knowledge and access of/to local markets for digestate, dedicated operating personnel, and active process management.

### National Waste Prevention Plan

Defra has launched a consultation on its long-awaited Waste Prevention Plan for England which is open to businesses, Local Authorities and consumers. The Plan will be finalised as part of the Eu Waste Framework Directive. The Plan is based around research which shows that businesses can save £17b annually by employing simple steps to produce less waste with households able to save a further £1b by re-using certain re-usable products.

### Solar PV Energy Road Map

Greg Barker, Energy and Climate Change Minister, has announced that he believes the implementation of solar energy will be central to the growth of renewables in Britain. Since 2010, the installed capacity of solar PV has increased 10-fold with the new Road Map setting out further ways in which this trend can be extended. One of the contributing factors to Solar’s success is its positive reputation in the eyes of the public when compared with other clean energy sources such as wind. However, the Road Map tells how local sensitivities and community opinion must be taken into account especially in relation to environmental effects and visual impacts.

### Waste Industry Safety & Health Forum Roadmap

The Waste Industry Safety and Health forum (WISH) has published a five-point [roadmap](#) to drive down accidents in the workplaces of the waste industry. The Blueprint was outlined at a forum earlier in the year and outlines 24 immediate actions, classified under 5 strategic themes that the group will be carrying out immediately. The five themes are: providing strong leadership, involving the workforce, building confidence, creating healthier and safer workplaces, and, providing support for SMEs.

WISH is made up of representative from the waste management and recycling industry including members from HSE, main trade associations, professional associations, trade unions, recycling organisations and national & local government bodies.

## 1.3 Waste and Recycling News

### Plastic Bag Levy set for England

A Plastic Bag Levy is set to be introduced in England. A 5p charge will become compulsory with the purchase of any single-use plastic bag at a supermarket or retail store with over 250 members of



staff. The move follows the introductions by Northern Ireland and Wales which already have a levy in use. The Levy will only become operational following the 2015 election, an announcement which has led to an amount of criticism due to the success of the levies already in use.

### Poor Business Recycling Rates

A study undertaken by BusinessWaste.co.uk has revealed that 80% of businesses send most, if not all of their waste to landfill. A similar proportion have no Green Policy in place and do not recycle waste, even in areas where the separation and recycling of wastes, such as paper, food or glass, is widespread common practice in domestic collections. In addition to businesses frequently not recycling, paper, cardboard, plastics, electrical waste, old computers, printer cartridges and green waste, it was found that many companies are prepared to break the law in order to reduce their waste handling costs.

### SITA UK Signs Merseyside Deal

A consortium led by SITA UK has agreed a 30 year contract with the Merseyside Waste Disposal Authority to treat residual waste. SITA UK were originally chosen in April 2013 but the decision was challenged at the High Court before an amicable agreement between all parties was agreed in October. Part of the residual waste treatment will be based on the development of Energy from Waste facility with Combined Heat and Power capabilities at the Wilton International site in Teesside. The site will treat approximately 430,000t of Household Waste annually and will aim to produce heat for local businesses via a district heating system.

### Huge Fire in West Midlands

A recycling factory in Smethwick, West Midlands, caught ablaze at night time on Sunday 30<sup>th</sup> June. It is approximated that 100,000t of plastic recycling material set alight, causing the largest fire seen in the West Midlands area. 200 fire fighters were at the scene, with 3 taken to hospital as a 6,00ft plume of smoke rose into the sky, with the nearby Birmingham International Airport being put on alert. It is unknown what started the blaze at the Jayplas site but the immediate concern is to get the fire under control.

### Successful Glass Recycling

As an example of a successful recycling scheme, the automotive glazing company, Auto Windscreens has announced that the glass from cracked windscreens collected by its operations throughout January to June 2013 has been turned into 11.6 million glass bottles. All the windscreens collected by Auto Windscreens, totally 775t during the 6 month period, was delivered to nearby glass recycling company, Berrymans, and is used to make 10-15% of each bottle produced by the company.

### Tetra Pak Recycling

Tetra Pak has been told that it needs to triple the amount of its carton packaging recycling in 2010 to meet the company's 2020 commitment of 40% recycling. To illustrate the large challenge ahead, this equates to recycling 100 billion cartons in 2020. Many Local Authority waste collections still do not accept Tetra Pak cartons in any waste stream except the residual bins.

## 1.4 Energy News

### Green Levy Rollback

PM David Cameron has suggested that energy levies in the UK could be rolled-back due to public dislike for the increase these levies currently place on energy bills. However, the renewables industry has vociferously opposed the comments. One example used to back up the importance of the current levies shows that scrapping the Energy Company Obligation (ECO) scheme, to ensure energy efficiency measures are in place, would force the loss of 10,000 construction jobs alone.

### Energy Bill Receives Royal Approval

The Queen has given approval to the Energy Bill, completing the Bill's passage through Parliament and establishing it as an act of law. The Bill hopes to promote the investment of £100b to update the UKs aging infrastructure. At the centre of the Bill's investment drive is the Electricity Market Reform



which offers to offer stable and predictable incentives for companies to invest in low-carbon technologies.

### UK Renewable Electricity Production Rise

The renewable electricity generated in the UK rose to 41TWh for 2012, a rise of 20% from the previous 12 month period. The largest individual increase was from offshore wind turbines which outputted a total of 7.5TWh, a rise of 46% due to the increased capacity on the UK network. Onshore wind contributions rose by 15% to 11.9TWh, outperforming the slightly reduced levels in wind speed experienced across the year. Co-firing contributions fell despite a rise in increased generation due to less biomass being burnt with coal.

### Code for Sustainable Homes Under Threat

The Code for Sustainable Homes is apparently under threat of being axed by the Department for Communities and Local Government. The Code has revolutionised the regulation of the construction of new residential buildings, helping to ensure that the standard of new builds, with regards to insulation, is high, creating a thriving sustainable building industry in the UK. The Code faces axing for a potential replacement which aims to combine various regional standards into one overall nationwide standard. Oppositions to the movement claim the Code should replace the current system where Local Authorities have discretion for the minimum building standards rather than the planned amalgamation of regional standards.

## 1.5 Vehicle News

### Government Support for Renewable Gas-Powered Vehicles

Sustainable Transport Minister, Norman Baker, has voiced strong support for waste-generated biomethane to be used as a vehicle fuel. He announced that the Government would be supporting the expansion of the necessary infrastructure in the UK through funding from the GIB of projects such as the £21m anaerobic digestion plant in Dagenham.

## 1.6 Other News

### Spending Review Budget Cuts

Chancellor George Osborne announced a 10% cut to Defra's spending but set out plans for a major commitment to flood defences for the rest of this decade. This essentially means that Defra's ability to support work related to the waste and resources industry is set to diminish due to lack of available funding.

As part of the spending cuts, WRAP will see a 40% cut to its funding in 18 months' time. Chief Executive of WRAP, Dr Liz Goodwin, has confirmed that Defra is not the only funder of the organisation and that there will be a search for new funders to diversify its income base, using the term "Fishing for work". Before concrete impacts can be predicted, it is potentially likely that WRAP may become a more Scotland-focussed organisation as the Scottish Government is currently WRAP's biggest funder, £26million per year, as WRAP runs the Zero Waste Scotland programme.

### Expected CSR Schemes to look out for in 2014

Edie.com has announced what it believes to be the five subjects at the heart of sustainability professionals' work over the next twelve months. They are: New Materials, Genetically Modified Organisms, Climate Change Adaption, Employee Engagement and Social Entrepreneurs. The search for alternative materials is thought to be the one overriding issue as companies look to invest in R&D and product development.

At the same time, the issue of Climate Change is unlikely to fade away as businesses start to look at how climate changes could affect their operations. Many forward-thinking organisations are beginning to incorporate resiliency plans into their future business strategies.

