

The EU Large Combustion Plant Directive 2001/80/EC

Costs:

Overall costs to the Energy Industry: £1.7bn ([£1bn](#) in coal market and related jobs; [£700m](#) from energy industry in capital outlay complying with the directive)

Talking Points

Energy Crisis

If the UK shuts a quarter of domestic power plants, then we will have to import more fuel from the more volatile regions of the world, namely Russia and the Middle East. The plants currently scheduled for closure currently contribute 13 gigawatts, or 15 per cent of UK capacity. (Source: [The Independent](#)).

The closure of these plants will mean Britain loses 22.5 gigawatts, almost a third of our national energy use. ([Benedict Brogan](#), the Telegraph, 24 February 2010)

Energy Costs

The energy deficit in the UK will push up costs for British consumers, increasing the numbers of those in fuel poverty. The closure of such a large amount of domestic power plants will eliminate any power reserves the country has, putting lives at risk should the weather get as cold as it was in late 2009.

What is it?

A directive to limit the emissions of large combustion plants. The EU has set down [specific limits](#) for emissions from large combustion plants of different gases.

The directive applies to existing UK power plants greater than 50MW covering emissions of Sulphur Dioxide (SO₂), Oxides of Nitrogen (NO_x) and particulate/dust matter (i.e. combustion plants with a rated thermal input of equal to or greater than 50 megawatt thermal).

The Large Combustion (National Emission Reduction Plan) Regulations 2007 translates the directive into UK law and creates the National Emissions Reduction Plan (NERP). This allows emissions trading within the UK, complicit with the EU Emissions Trading Scheme.

Emissions Limit Values (ELV) outlined in the Directive apply to power generating plants, even those plants whose power is generated on site for manufacturing. Compliance costs are accrued by companies by fitting flue gas desulphurisation equipment to meet the government's emissions reduction plan and emissions limits.

Individual plants may also opt-out and agree to operate for a maximum of 20,000-hrs post Jan 2008 and then close. ([E-on plants at Ironbridge, Kingsnorth and Grain power stations opted out and will close in 2015](#)).

Under the hybrid system in the UK, a cap and trade system is used for petroleum, iron and steel works and other industrial processes and plants that remain open after 2015. Combustion plants are allowed to trade their limits but the UK-national limit cannot be altered.

Third Party Opinions

"The potential consequences of a drastic reduction in the market for indigenous coal could be the loss of an industry with an annual turnover of around £1 billion and up to 15,000 mining and related jobs." Michael Cashman MP on the National Emission Reduction Plan, [Epolitix.com](#).

"Paul Golby [the chief executive of Eon] told the Guardian that some of the coal and oil-fired plants due to close this decade because of European pollution regulations should remain operational and ready to come online during periods of peak demand such as those experienced in recent weeks." Paul Golby, chief executive of Eon interviewed in the [Guardian](#), 18 January 2010.

"If it came down to a choice, and I believe in the short term that it does, then fulfilling our obligations to the EU under Kyoto ought to be second priority to the issue of national energy security," Rupert Soames, chief executive of the FTSE-250 emergency power supplier Aggreko, in the [Telegraph](#), 25 September 2009.