



Briefing note to Rookery South RRF Community Liaison Panel

Date: 19th July 2010 (Meeting No. 12)

Covanta's response to the grant of permission issued to Viridor for an Energy from Waste (EfW) facility at Trident Park, Cardiff.

On the 9th of June 2010, Cardiff City Council (CCC) granted planning permission to Viridor for the construction of an EfW facility near the City Docks at Trident Park, Cardiff. The permitted facility will have the capacity to process up to 350,000 tonnes of waste per annum.

Covanta can confirm that the decision of CCC to grant permission to Viridor for their plant in Cardiff will not impact upon the intended submission of an application by Covanta Energy to the Infrastructure Planning Commission (IPC) later this month for a Development Consent Order to construct and operate an Energy-from-Waste (EfW) plant near Merthyr Tydfil in South Wales. The proposed facility known as 'Brig Y Cwm' will have the capacity to process up to 750,000 tonnes of residual waster per annum.

Responses to a number of questions relating to the recent Viridor decision and its potential impacts on Covanta's proposal for 'Brig Y Cwm' are set out hereunder:

1) Why are Covanta Energy going ahead with an application for an EfW plant when one has been granted now nearby?

Our project is a national, strategic project designed to meet the residual waste needs for the whole of Wales and the granting of permission for an EfW facility in Cardiff will not affect this. The Cardiff facility will only accept deliveries of waste by road which limits the geographical areas it can accept waste from. In contrast, approximately 75% of our waste will arrive by rail which can be sourced from across Wales.

While it would be desirable for us to win the Project Gwyrdd contract due to the proximity of the waste, our proposal is not dependent on securing the contract. We have carried out detailed investigations into the municipal, commercial and industrial waste available in Wales and found there is a readily available supply of residual waste to meet the demands of the plant.

Latest government statistics for waste in Wales show that of the 1.7 million tonnes a year of municipal waste that is produced, just less than 40% is composted or recycled.

The amount of waste produced by businesses in Wales each year is 3.6 million tonnes with similar levels of recycling.

2) Why are Covanta making this part of Wales the waste capital?

Covanta looked at more than 300 potential sites across Wales taking into account a range of planning, environmental, demographic, transport and other key factors. However our proposed location has clear advantages: it is next to a railway line and is well positioned to receive municipal waste from across Wales.

We are unable comment on the criteria used by other developers in selecting their sites.

The Viridor permission is one of several facilities planned or already operational in Wales that are responding to the national requirement to provide new waste management infrastructure to replace landfill.

3) How confident are Covanta that the company can now win local waste contracts given the head start achieved by Viridor?

While it would be desirable for us to win the Project Gwyrdd contract due to the proximity of the waste, our proposal is not dependent on securing the contract. We are encouraged to have been short listed, along with Viridor, as one of the eight companies invited to participate in further dialogue with Project Gwyrdd.

The scale of the plant will achieve economies of scale that offer local authorities across Wales a highly cost effective solution to waste disposal. It could save them £ millions in taxes as well as fines if they fail to meet the Waste Landfill Directive requirements.

Covanta's cost effective solution should also remove the need for the Welsh Assembly Government to provide subsidies and therefore reduce the burden on the public purse eg. WAG are proposing to subsidise 25% of the gate fee for Prosiect Gwyrdd.

4) Were Covanta aware of Viridor's application and was it taken into account in the need argument at the local exhibitions?

Covanta have been fully aware of Viridor's plans for an EfW facility in Cardiff and their pursuit of the Project Gwyrdd contract since we entered the UK market.

While they are a competitor, their proposal has not affected our plans for a facility sized to meet the residual waste needs of Wales. We recently publicly announced our plans for waste transfer station in Cardiff. The station will be used as a collection point for residual waste – including commercial and industrial as well as municipal – from the

Cardiff and Vale of Glamorgan areas. Similar facilities are planned for various locations throughout Wales to provide local recycling and transfer centres close to the main centres of population.

Whilst the proposed Brig y Cwm facility will be capable of managing a large proportion of Wales' residual waste, the scale of the challenge to replace outdated landfill infrastructure is such that there will still be room for other treatment facilities for residual waste especially in areas of greatest population and economic activity.