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Mr S Beaman
Director
NSW EPA
59 Goulburn St
Sydney NSW 2000

Dear Mr Beaman

Draft NSW Energy from Waste Policy Statement

ACOR is pleased to contribute to the public consultation on the above draft Policy. We commend the Government for moving forward on this policy and thank you for your willingness to consult with the Board of ACOR recently. ACOR also welcomes the opportunity for ongoing discussion with Government officers in relation to the Policy's finalisation and implementation.

1. Policy Title

As previously discussed with the Minister, it is time to move beyond outdated descriptions of this policy domain as if it were merely a waste management strategy. The policy is focussed on the recovery of energy from materials prior to disposal and therefore should not be regarded as a waste policy, rather it should be an energy policy. The purpose of the policy is to recover energy resources from materials that are a suitable fuel for energy generation. It should therefore be titled as a "Recovered Fuels" or "Recovered Energy" policy.

2. Policy Framework

ACOR has previously submitted to the Governments Policy Subcommittee, the ACOR policy on Recovered Fuels. A copy of that policy is attached for reference.

It is noted that the policy framework proceeds on the basis that there will be a declared list of "eligible waste fuels" for use in an "energy recovery facility". Eligible Waste Fuels (EWF) are listed according to those regarded as posing a minimal risk to the environment due to their "origin, composition and consistency". A provisional list of seven such fuels is identified in the Draft Policy.

The use of Eligible Waste Fuels, including those that would otherwise fall under the definition of a “standard fuel” must obtain a resource recovery exemption, however eligible waste fuels must also be fully characterised, meet Group 6 emission standards and have a minimum calorific value of 10MJ/kg.

Where energy recovery is undertaken using material-based fuels other than those on the EWF list, a separate set of criteria is applied to the approval requirements of an Energy Recovery Facility.

While ACOR understands the differing risks of material feedstocks for energy recovery, the Draft Policy does not set out the justification for the varied criteria for each type of energy recovery facility. ACOR believes this explanation should be explicit in the Policy.

3. Energy Recovery Facilities

The draft policy in effect establishes two categories of energy recovery facility:

- a) An energy recovery facility using EWF
- b) An energy recovery facility using fuels other than EWF.

The essential elements of the criteria which a facility must meet are:

- Technical criteria, including emissions standards
- Thermal efficiency criteria
- Waste classification or resource recovery

4. Technical Criteria

ACOR supports the requirement for emission standards to meet international practice under the Group 6 emission standards.

In relation to the technical criteria in section 4 of the Draft Policy, it is not clear why technical criteria other than the appropriate emission standards need to be spelt out further in relation to combustion processes. Guidelines for effective operation of facilities could be developed to include these other measures, however there is no reason in principle for the technical criteria to be materially different to those imposed on licensing requirements for conventional power generation facilities or cement kilns.

There is a risk that the additional requirements of continuous monitoring combined with thermal efficiency criteria will impede investment in appropriate facilities. It is important that the regulatory burden and its cost do not render the policy nugatory.

5. Thermal Efficiency Criteria

ACOR’s policy has emphasised the importance of enabling economically viable energy recovery from separated waste residues without excessive regulatory burden. Providing the facility is operated genuinely for energy generation, it is unlikely to be economically viable unless the material used does not have sufficient energy content.

While the thermal efficiency criteria may be intended to prevent the use of facilities for mass burn operations, it is not clear that the thermal efficiency criteria are the best mechanism for achieving this outcome. This should continue to be monitored on the basis that the first new plant approved is seen as a pilot for evaluation of the appropriate regulatory settings.

Care should be taken to ensure the criteria do not prejudice the potential for small energy generators to establish in regional communities where economically viable.

6. Resource Recovery Criteria

ACOR supports, in principle, the requirement for waste classification of EWF and resource recovery criteria for mixed wastes. The key issue is to ensure that the policy does not permit approvals to be granted to 'mass burn' facilities for mixed wastes, including municipal wastes.

It is a core principle of resource recovery that recovery should occur to capture the highest and best use of the resource. Dry recyclables should be separated and processed for reuse to the greatest economically viable extent before the residues of that processing are used for energy recovery. This effectively means that the energy recovery facility operator should demonstrate that if the fuel is not an EWF, the fuel used is the residue of an appropriate recycler processing operation for the pre-treatment of mixed material streams.

It is acknowledged that the resource recovery criteria seek to achieve this for non-EWF facilities. ACOR is willing to support the proposed model being trialled to assess whether it delivers the desired outcomes.

Should the Government require further information on any of the above matters raised, please do not hesitate to contact us.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Musgrove', written in a cursive style.

Grant Musgrove
CEO