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**Response to: The Clean Air Plan for Wales Healthy Air, Healthy Wales**

**Uniper**

Uniper is an international energy company with around 11,000 employees and operations in 40 countries. In the UK, Uniper operates a flexible and diverse generation portfolio. With our seven-strong fleet of power stations and our flexible, fast-cycle gas storage facility, we support the energy transition and make a tangible contribution to Britain's energy supply security.

Uniper also offers a broad range of commercial activities through its Engineering Services division, while the well-established Uniper Engineering Academy delivers high-quality technical training and government-accredited apprenticeship programs for the utility, manufacturing and heavy industry sectors, at its purpose-built facilities near Nottingham.

**We have addressed questions in the consultation that are relevant to our business. In summary:**

- Rules governing industrial emissions should be aligned across GB to avoid distorting the GB energy market.
- Emissions standards, regulation, monitoring and enforcement of small scale generators needs to be consistent with large scale generators to avoid skewing the market in favour of the growth of more polluting generators.
- Wider use of hydrogen as a low emission fuel needs to be investigated for use in industry, transport, heat and power.

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## **Clean Air Act for Wales**

### ***12. What other legislative or regulatory actions in relation to air quality should we consider to improve people's lives and community well-being in a sustainable way?***

As identified in the Clean Air Plan there could be the potential to convert Transport for Wales diesel trains and change to waste collection vehicles that run on hydrogen.

In transport, hydrogen vehicles use a fuel cell to convert hydrogen gas to water while producing electricity, which is used to power a drivetrain similar to those in battery powered vehicles. Since water is the only by-product of this process, there are zero tailpipe emissions.<sup>1</sup> Therefore, the introduction of hydrogen powered vehicles in Wales would have a positive impact on air quality and may be a more suitable alternative to electrification for the rural environment.

To meet the dual ambition of improving air quality and decarbonisation, wider use of hydrogen as a low emission fuel needs to be investigated for use in industry, transport, heat and power. To support this there is a need to stimulate demand growth in these sectors, incentivise hydrogen production, and consider funding for a first hydrogen based project in Wales.

## **Industrial Air Pollution**

### ***31. On which sectors, processes or areas should we focus our action to reduce public exposure to industrial emissions to air pollution?***

The expected continued growth in small scale distributed generators means that their aggregate emissions could become significant. The growth of this category and its location typically being closer to communities, with its commensurate impact on air quality at ground level, should necessitate a review and assessment of standards and enforcement. Effective monitoring and enforcement consistent with large scale generators is necessary to avoid skewing the market in favour of the growth of more polluting generators.

As the transport sector seeks to decarbonise, insufficient regulation or oversights create a risk that ground level pollution comes from the distributed generators powering electric vehicles. Consistent treatment of all technologies is essential to ensure that the energy transition, where there is already significant growth in small-scale distributed generation, leads to improved air quality as well as reduced CO<sub>2</sub> emissions. We therefore agree with the action to consider the case for tighter emissions standards on small-scale electricity generation plants.

In this context we also agree with a review of the case for new regulatory controls on combustion plants in the 500kW to 1MW thermal input range.

Whilst not specifically for a new Clean Air Act for Wales; in the context of net zero, with the possible exception of essential services, there is no reason for generators below 20MW competing in the GB capacity, flexibility and energy wholesale markets to be exempt from the EU ETS or a replacement UK ETS.

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<sup>1</sup> <https://www.assembly.wales/research%20documents/19-031/19-031-web-eng.pdf>



**32. Are there any specific legislative changes you think we should consider in order to tackle industrial emissions to air?**

We support maintaining the existing integrated pollution prevention and control regime in Wales and application of BAT to drive continuous improvement and deliver reductions in roadside NO<sub>x</sub>.

The clean air plan includes ambitions to 'meet and where possible exceed requirements set down in UK and international guidance and legislation'. Guidance and legislation needs to be coordinated at a UK level as going beyond this could create inconsistencies and distort the GB energy market.

**35. Do you think generators used for research and development should be treated differently in terms of emission controls?**

No, because this can create market distortions, all generators should be subject to equivalent regulations to ensure a competitive market.

In addition, we would expect research institutions to be exemplary and therefore using the latest equipment and techniques. Unabated generators should only be used as a baseline for comparison of the effectiveness of new techniques/equipment.

**36. Do the proposed commitments and actions address the issues described in the Prosperous Wales section of the Plan?**

We welcome the proposal to consider the case for strengthening controls on emissions from small scale flexible electricity plants. We also agree with reviewing the current regulatory position for generators used for research and development plans.