

NEW ENTRANT VERIFICATION REPORT		NE2-002-R1
New Entrant Register Number	NESA Priority ¹	CHPSA Priority
NE2-002	4	Not applicable
Date: 12 May 2009		
RE: Application for a free allocation of EU allowances from Ireland's New Entrant Set-Aside 2008-2012.		
Application Details		
Installation name:	Irish Cement Limited, Platin Works.	
Installation address:	Irish Cement Limited, Platin Works, Drogheda, County Meath.	
GHG permit register number:	IE-GHG043-05	
Class of activity:	Installations for the production of cement clinker in rotary kilns with a production capacity exceeding 500 tonnes per day or lime in rotary kilns with a production capacity exceeding 50 tonnes per day or in other furnaces with a production capacity exceeding 50 tonnes per day	
NESA application received:	1 April 2008	
Date of site inspection:	30 October 2008	
Letter (RFI) issued:	5 June 2008, 10 November 2008, 4 December 2008, 10 December 2008, 6 March 2009.	
Further information received:	26 June 2008, 24 November 2008, 26 November 2008 (Confidential Information viewed at the EPA Dublin office), 5 December 2008, 9 January 2009, 17 February 2009 (Confidential Information), 27 March 2009 (Confidential Information), 3 April 2009 (email).	
New entrant start date:	15 September 2008 – date of shut down of Kiln 1 and start up of Kiln 3.	

Description of the development/increase in capacity

Irish Cement Platin is a two cement clinker kiln installation: Kiln 1 with a permitted capacity of 1,396 tonnes of clinker per day and Kiln 2 with a permitted capacity of 4,265 tonnes of clinker per day. This new entrant application relates to a new kiln (Kiln 3) with a claimed capacity of up to 5,165 tonnes of clinker per day along with some minor support plant.

Kiln 3 will replace Kiln 1, giving a proposed net increase in production capacity of up to 3,769 tonnes of clinker per day. The installation has been allocated allowances for

their scheduled activity in Ireland's National Allocation Plan for Emissions Trading 2008-2012 – Final Allocation Decision.

Consents submitted:

Planning permission: Meath County Council on 12 May 2006. Planning File: SA50448.

Site Inspection:

Date of Site Inspection: 30 October 2008

Operator Representatives: Mr. Colm Bannon, Mr. Jack Slattery, Ms. Katrine O'Gorman and Richard Cunningham.

EPA Representatives: Ms. Kelley Kizzier and Marc Kierans.

Documentation Examined:

(i) Kiln Contract:

The EPA reviewed the contract between the main supplier for the kiln and the Operator, specifically the clauses concerning guaranteed performance of the kiln, means of confirming the kiln's performance and conditions for the performance tests. The contract states the new kiln will have a guaranteed performance of '*minimum 4,000 metric tonnes of clinker per 24 hours*'.

(ii) Valid Business Reason:

The EPA reviewed the summary section of the capital expenditure proposal to the board of the Operator. This was as approved by the board of the Operator in September 2006. The full proposal was deemed confidential by the Operator and was not viewed by the EPA during the site inspection.

(iii) Projections:

The EPA reviewed the basis of the projections as provided by the Operator. Projections were based on a 5,100 tonne of clinker per day kiln, operating for 335 days per year with a 98 % utilisation factor and an emission factor moving from 0.882 to 0.843 tCO₂/t of clinker as the kiln ramps up to full production.

The Operator's projections allow for a linear ramp up from the start date to November 2009, being the date the Operator projects the full claimed capacity will be achieved.

A further meeting was held between the Operator and representatives of the EPA responsible for assessing the new entrant application at the EPA regional offices in Richview on 26 November 2008. The EPA viewed further 'confidential' sections of the capital expenditure proposal to the board of the Operator.

Substantiated new entrant start date: 4 December 2008

Basis for substantiation: Official notification from the Operator to the EPA.

Detailed Calculation of Projected Emissions

The Operator has submitted, based on various scenarios a number of projected emissions arising from the operation of the new kiln. The projections are based on the formula:

$$\text{Daily kiln capacity} \times \text{run days} \times \text{utilisation capacity} \times \text{emission factor} = \text{t CO}_2$$

The Operator used the following range of parameters in determining projections:

Claimed Kiln Capacities, tonnes of clinker per day	= 5,100 to 5,165
Run Days	= 335
Utilisation Factor	= 0.98
Emission Factor, t CO ₂ /t of clinker	= 0.882 to 0.843

The Operator provided a final set of projections as set out below to the EPA on 27 March 2009. The basis of the projections is considered to be confidential by the Operator as they contain 'commercially sensitive information'. The EPA has reviewed this information and has noted that the projections do not exceed the UK Benchmark². The EPA has followed its procedure on confidential information³ in its assessment of the information.

The Operator subsequently provided the final projected emissions as t CO₂ as non-confidential (Operator email on 3 April 2009) and this is set out below:

Figure 1: Extract from the Operator's non-confidential email of 3 April 2009.

ANNEX II					
Revised Projected Emissions from Platin Works					
Irish Cement Ltd					
Note:					
The following projected emissions calculations are based on:					
1. An indicative and conservative market demand projection prepared in volatile and unpredictable macroeconomic circumstances.					
2. An indicative proportioning of kiln production between kiln units at Platin Works. This is subject to changes based on prevailing operating circumstances.					
CO ₂ tonnes:					
Year	2008	2009	2010	2011	2012
K1 CO ₂ tonnes	279,633	0	0	0	0
K2 CO ₂ tonnes	952,246	184,936	467,305	778,139	975,415
K3 CO ₂ tonnes	13,145	888,295	1,095,412	1,095,412	1,095,412
Total CO ₂ tonnes	1,245,025	1,073,231	1,562,716	1,873,551	2,070,827

EPA Assessment of the Projected Emissions:

‘Ireland’s National Allocation Plan for Emissions Trading 2008-2012 – Final Allocation Decision’⁴ sets out rules for applications for an allocation from the New Entrant Set-Aside. The EPA when assessing applications for an allocation from the New Entrant Set-Aside must ensure that:

- ‘Installations may only qualify for allocations from the New Entrant Set Aside where an increase in permitted capacity occurs. Installations qualifying as new entrants due to a permit update will retain their existing allocations. Only the additional portion of any new allocation will be taken from the New Entrant Set-Aside. Applications based on permit updates will not be eligible where projected annual emission increases associated with the update are less than 500 t/a CO₂’*
- ‘No allowances will be allocated in respect of new sources of emissions occurring as a replacement for original sources, of the same or greater capacity, on the same site where those original sources are already in receipt of allowances in respect of the current trading period.’*

The EPA as stated above, has reviewed and assessed all the information provided by the Operator and notes that the final projections do not exceed the UK Benchmark².

The EPA has subtracted from the agreed projections above any sources of emissions already in receipt of allowances in respect of the current trading period (2008-2012).

Figure 2: Additional Portion of the Relevant Emission (RE) as tCO₂ from the New Entrant Set-Aside.

Tonnes CO ₂	2008 ^{Note 1}	2009 ^{Note 1}	2010	2011	2012
Total tCO ₂ as projected by the Operator	1,245,025	1,073,231	1,562,716	1,873,551	2,070,827
Relevant Emission as tCO ₂ from Kiln 1 and Kiln 2 ^{Note 2}	1,560,507	1,560,507	1,560,507	1,560,507	1,560,507
Additional portion (Relevant Emission) to be used for the determination of the new entrant allocation.	Nil	Nil	2,209	313,044	510,320

Note 1: Allocation for the years 2008 and 2009 have already been issued by the EPA as required by European Communities (Greenhouse Gas Emissions Trading) Regulations 2004 to 2005, (S.I. No. 437 of 2004 and S.I. No. 706 of 2005).

Note 2: The Relevant Emission (RE) as derived from the Report on Baseline Data Verification for NAP2 GHG043-04 and issued by the EPA on 4 October 2007.

Recommendation

The new entrant set aside application is found to have the necessary consents in place and to have a substantiated start date as detailed above. The projections as provided by the Operator on 27 March (subsequently by email on 3 April 2009) are considered within the terms *'Ireland's National Allocation Plan for Emissions Trading 2008-2012 – Final Allocation Decision'* by the EPA.

It is therefore recommended that the new entrant set aside allocation be taken from NESA and be based on the following Relevant Emission as tCO₂/ year.

2008	2009	2010	2011	2012
0	0	2,209	313,044	510,320

Signed:

Date: 12 May 2009

Marc Kierans

Inspector

Signed:

Date: 12 May 2009

Dr Maria Martin

Senior Manager

1 NESA Priority:

The verified priority may change if applications currently ahead on the list are removed/ their priority changed.

2 UK Benchmark:

The UK benchmark: EU Emissions Trading Scheme Phase II Review of New Entrants' Benchmarks – Cement. Available for download at: <http://www.defra.gov.uk/environment/climatechange/trading/eu/operators/phase-2.htm>.

3 Note on confidential information:

As a general rule the EPA actively seeks to minimise the amount of confidential information it holds and to make as much as possible available to the public. The EPA however does recognise that certain information supplied by Operators and Stakeholders can contain elements that might be considered 'commercially sensitive'. The EPA therefore has defined procedure for dealing with such information and has applied it in the full during its assessment of this New Entrant Set-Aside application. Further details and the procedure can be downloaded at: <http://www.epa.ie/downloads/forms/etu/name.23478.en.html>.

4 Ireland's National Allocation Plan for Emissions Trading 2008-2012 – Final Allocation Decision:

The plan and supporting information can be downloaded at: <http://www.epa.ie/whatwedo/climate/etscheme/naps/>.