

SCHEDULE

Regulation 11

Schedule 1A inserted into the Principal Regulations

“SCHEDULE 1A

Regulation 20A

Energy Efficiency Directive

**Application of Schedule**

1. Subject to paragraphs 2 and 3, this Schedule applies to—
- (a) a thermal electricity generation installation with a total thermal input exceeding 20 megawatts,
  - (b) an industrial installation with a total thermal input exceeding 20 megawatts generating waste heat at a useful temperature level, or
  - (c) an energy production installation with a total thermal input exceeding 20 megawatts in an existing district heating or cooling network,

for which an application for a permit, or an application for a variation of a permit due to a substantial refurbishment, is made on or after 30th October 2014.

2.—(1) This Schedule does not apply to individual installations, except an installation which forms part of a district heating and cooling network, with any of the following—

- (a) available waste heat of 100 kilowatts or less,
  - (b) available waste heat—
    - (i) greater than 100 kilowatts as hot water or steam, where there is no hot water heat demand greater than 100 kilowatts within the search radius from the source installation as set out in the table, located within the connection distance from the centre of the source installation, or
    - (ii) greater than 500 kilowatts as steam where there is no steam-based heat demand greater than 500 kilowatts within the search radius from the centre of the installation as set out in the table, located within the connection distance from the centre of the source installation,
  - (c) a heat demand of—
    - (i) 100 kilowatts or less for a hot water heat demand, or
    - (ii) 500 kilowatts or less for a steam-based heat demand,
  - (d) a hot water heat demand greater than 100 kilowatts, with no source of available waste heat greater than 100 kilowatts within the search radius from the centre of the demand installation as set out in the table, located within the connection distance from the centre of the demand installation, or
  - (e) a steam-based heat demand greater than 500 kilowatts, with no source of steam-based waste heat greater than 500 kilowatts within the search radius from the centre of the installation as set out in the table, located within the connection distance from the centre of the demand installation.
- (2) For the purposes of this paragraph, “connection distance” means—
- (a) in the case of a hot water link, the thermal capacity in kilowatts of the source or demand, whichever is smaller, multiplied by 0.0038, or

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(b) in the case of a steam heat link, the thermal capacity in kilowatts of the source or demand, whichever is smaller, multiplied by 0.0012, expressed in kilometres.

**TABLE**  
**Search radius**

<i>Installation type</i>	<i>Thermal capacity of heat source/ demand</i>	<i>Search radius (kilometres), measured from the centre of the installation</i>
Hot water demand	>100 kilowatts and <3.9 megawatts	0.0038 x H, where H = thermal capacity in kilowatts
	≥3.9 megawatts	15
Steam demand	>500 kilowatts and <12.5 megawatts	0.0012 x H, where H = thermal capacity in kilowatts
	≥12.5 megawatts	15
Waste heat source (hot water or steam)	>100 kilowatts and <3.9 megawatts	0.0038 x H, where H = thermal capacity in kilowatts
	≥3.9 megawatts	15

3. This Schedule does not apply to—

- (a) peak load and back-up electricity generating installations which operate or are planned to operate under 1,500 operating hours per year as a rolling average over a period of five years,
- (b) nuclear power installations, or
- (c) installations that need to be located close to a geological storage site approved under [Directive 2009/31/EC](#) of the European Parliament and of the Council on the geological storage of carbon dioxide and amending Council [Directive 85/337/EEC](#), European Parliament and Council Directives [2000/60/EC](#), [2001/80/EC](#), [2004/35/EC](#), [2006/12/EC](#), [2008/1/EC](#) and Regulation (EC) No 1013/2006(1).

#### **Applications and cost-benefit analysis**

4. Subject to paragraph 5, an application for a permit under regulation 13 for an installation to which this Schedule applies must provide a cost-benefit analysis.

5. An application in respect of a Part B installation where no activity listed in Schedule 1 other than the activity described in paragraph (c) of Part B of Section 1.1 of Schedule 1 will be carried out need include only—

- (a) the information described in paragraph 1(1)(a) to (c), (f) and (s) of Schedule 4, and
- (b) a cost-benefit analysis.

6. Paragraphs 4 and 5 do not apply to any installation for which an application for a permit was made before 30th October 2014.

(1) OJ L 140, 5.6.2009, p.114.

7. No person may carry out a substantial refurbishment of an installation to which this Schedule applies except under and to the extent authorised by a permit.

8. Where there is a proposed change in operation at an installation to which this Schedule applies, the operator of which has been granted a permit, and the change—

- (a) results in an application for variation under regulation 46, and
- (b) constitutes a substantial refurbishment,

the operator must include a cost-benefit analysis in addition to the information required by paragraph 1 of Schedule 7.

9. Where there is a proposed change in operation at an installation to which this Schedule applies, the operator of which has been granted a permit, and the change—

- (a) does not result in an application for variation under regulation 46, and
- (b) constitutes a substantial refurbishment,

the operator must submit to SEPA the information described in paragraph 1(a) to (c) of Schedule 7, and a cost-benefit analysis.

10. The requirements of paragraphs 8 and 13 of Schedule 4 and paragraph 4(4)(c) and (8) of Schedule 7 do not apply to an application in respect of a Part B installation where no activity listed in Schedule 1 other than the activity described in paragraph (c) of Part B of Section 1.1 is or will be carried out.

11. The cost-benefit analysis must be carried out in accordance with Part 2 of Annex IX of the Energy Efficiency Directive and must—

- (a) in the case of a thermal electricity generation installation, assess the costs and benefits of operating the installation or converting the installation to operate as a high-efficiency cogeneration installation,
- (b) in the case of an installation which forms part of an existing or planned district heating and cooling network, assess the costs and benefits of utilising the waste heat from nearby industrial installations, or
- (c) in the case of any other industrial installation generating waste heat at a useful temperature, assess the costs and benefits of utilising the waste heat to satisfy economically justifiable demand, including through cogeneration, and of the connection of that installation to a district heating and cooling network.

#### **Determination of applications**

12. When considering an application for a permit, or for a variation of permit, in respect of an installation to which this Schedule applies, SEPA must take into account—

- (a) the outcome of the cost-benefit analysis required by paragraph 4, 8 or 9, and
- (b) from 31st December 2015, the outcome of any comprehensive national assessment required by Article 14(1) of the Energy Efficiency Directive.

13. Where a cost-benefit analysis required in the case referred to in paragraph 11(a) or (c) shows that benefits exceed costs, SEPA must ensure that the permit includes conditions that will ensure the operation of the installation in a manner shown by that analysis to be cost beneficial.

14. Where a cost-benefit analysis required in the case referred to in paragraph 11(b) shows that benefits exceed costs, SEPA must ensure that the permit includes conditions that will ensure the operation of the installation, in conjunction with the utilisation of the waste heat from nearby industrial installations, in a manner shown by that analysis to be cost beneficial.

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15. SEPA must ensure, in respect of a permit for a Part B installation at which the only activity listed under the heading “Part B” in Section 1.1 of Part 1 of Schedule 1 carried out is that described in paragraph (c) of Part B of that Section, that the permit includes only such conditions as SEPA considers necessary to comply with the Energy Efficiency Directive, and any requirement in these Regulations to include any other condition does not apply in respect of the permit to that extent.

16. Paragraphs 13 and 14 do not apply if SEPA decides that there are imperative reasons of law, ownership or finance for them not to apply in respect of any permit application or variation.

17. SEPA must, in any case where it makes a decision in accordance with paragraph 16, submit a reasoned notification of it to the Scottish Ministers within two months after the date of the decision.

### **Interpretation**

18. In this Schedule—

“cogeneration” means the simultaneous generation in one process of thermal energy and electrical or mechanical energy,

“cost-benefit analysis” means a cost-benefit analysis carried out in accordance with Part 2 of Annex IX of the Energy Efficiency Directive,

“economically justifiable demand” means demand that does not exceed the needs for heating or cooling and which would otherwise be satisfied at market conditions by energy generation processes other than cogeneration,

“high-efficiency cogeneration” means cogeneration meeting the criteria laid down in Annex II of the Energy Efficiency Directive,

“substantial refurbishment” means a refurbishment whose cost exceeds 50% of the investment cost for a new comparable unit; but the fitting of equipment to carry out the activity described in Part A of Section 6.10 of Part 1 of Schedule 1 shall not be considered as a substantial refurbishment, and

“unit” means any boilers, furnaces, turbines or compression ignition engines forming part of an installation which added together have a rated thermal input of more than 20 megawatts.”