

DEVELOPING BIOGAS IN WALES CONFERENCE

15TH JULY 2009

**KEY NOTE ADDRESS – BY JANE DAVIDSON,
MINISTER FOR ENVIRONMENT, SUSTAINABILITY
AND HOUSING**

- Good morning everybody.
- I am delighted to be able to give the key note address at this event and to see so many people here. This is an important event coming at a crucial time for Wales, as challenging EU target deadlines fast approach.
- This conference is to bring to the attention of all sections of the market the opportunity that Wales provides particularly for the development of anaerobic digestion facilities.

- The Welsh Assembly Government is clear in its policy preferences and policy direction so that local government and the market can have clarity as to where we are going with the treatment of biodegradable waste in Wales.
- As you may be aware, we have faced a number of complex issues. A dominant issue has been how to achieve economies of scale while respecting local service delivery and the need to treat waste as near as possible to its origin. The timescales within which we are working are also a significant issue.
- Over recent months local authorities have made a lot of progress on their waste treatment plans, and putting teams in place. It is important that you as the market are aware of how ready we are.

- Local authorities have responded positively to the need to work together on AD procurements – that urgency and enthusiasm is well-founded as we do not have time to spare and must ensure that our joint working maximises progress at all levels.
- The challenge is for all Local Authorities to hit their targets individually by 2013 and so avoid fines. The accelerated AD procurement programme is designed to help deliver the capacity needed to meet the 2013 targets. We must now build upon the foundation we have established and move up a gear. New infrastructure to ensure diversion from landfill is required.
- I would like to demonstrate how we are committing ourselves to support local government to achieve targets. As well as increasing the Sustainable Waste Management Grant for recycling and food waste

collection, the Assembly Government has committed itself to providing substantial funding support to local authorities for a network of anaerobic digestion plants to manage source separated food waste, and to support the management of residual municipal waste.

- The Welsh Assembly Government is assisting authorities to move procurements forward with further funding recently announced to facilitate the procurement. We have announced £6m to help local authorities to ensure the procurement process is clear transparent and focussed and have committed £20m of capital funding to ensure that the market comes together quickly in Wales to deliver the facilities we need. This new money will go to local authorities across Wales to help them develop anaerobic digestion plants as an alternative to landfill.

- In addition to the funding that the Assembly Government is providing for the procurement of local authority anaerobic digestion plants, we are also committed to providing intervention funding to assist the development of merchant facilities. This funding is to support the appropriate treatment of segregated food wastes from the commercial and industrial sectors.
- The funding is being managed on our behalf by the Waste Resources Action Programme (WRAP), and takes the form of a series of capital funding competitions into which developers can bid to secure funds.
- The purpose of the Anaerobic Digestion Capital Grant Programme is to provide financial assistance of up to 30% towards the costs of plant, equipment and infrastructure for AD projects in Wales that will significantly increase the quantity of Biodegradable Waste that is diverted from landfill. This funding can

also be utilised to create a new or expand an existing AD facility however, this facility must process a minimum of 60% of inputs from Commercial and Industrial food waste.

- We are beginning to see the benefits of this project. Funding of £500,000 has been provided by the Welsh Assembly for Wales' first factory to be partially powered by its own waste. A large scale anaerobic digestion unit is to be installed at the R F Brookes ready meal plant, owned by Premier Foods near Newport. The factory will use their AD plant to transform food waste into heat, power and compost. It will contribute up to 10% of the factories power and reduce carbon dioxide emissions by an estimated 7,500 tonnes per annum.
- This project is a wonderful example of turning of food waste into clean, renewable energy.

- The technology of anaerobic digestion will play a key part in how Wales deals with its waste and will also provide a new source of renewable energy. We cannot continue to throw waste such as food into the ground, simply to leave it rot and generate harmful greenhouse gases. Instead we can use this waste to generate renewable electricity and create fertiliser that can be used on our land.

- There is far more to waste policy than there may at first seem. The Assembly Government has the ecological-footprint for Wales as one of its main indicators in its Sustainable Development Scheme. We are one of the few countries in the World to have this as a key indicator. The ecological footprint is a measure of consumption patterns, and reflects the impact that consumption of products and services in Wales has on the planet – Wales currently consumes three planets' worth of resources. Doing nothing about this is simply

not an option and our response to the waste challenge has been made with this in mind. We are setting high recycling targets, much higher than in England. Waste is a devolved matter and we are pushing the boundaries. What we are doing not only matters but is **critical**. As the responsible Minister I want to assure you of my commitment to this programme – for our country this programme is a high priority.

- The path ahead will be challenging and continued collaboration and hard work will be necessary to ensure Wales meets EU targets.

- In order to ensure that Wales can be as ready as possible for interaction with the market, we have a number of initiatives in place:
 - we have appointed an Interim Commercial Director to advise us on this programme who has extensive experience of the public and private waste market.

- my officials and local authorities have been undertaking soft market testing and have already met with many of you about the programme and ways to ensure it is deliverable and will deliver value for money;
- we have provided training for local authorities on the competitive dialogue process;
- we recently held a training event for local government focussing on planning so authorities can facilitate and accelerate the process as much as possible;
- together with local authorities we have made an assessment of planning risk and are looking at streamlining what can be done in order to ensure successful delivery of projects. Planning too is a devolved matter.
- we have brought in Partnerships UK: to contribute resources within our programme office and to join our programme board; to support Local Authorities at the transaction level; and to ensure that Wales is able to

take advantage of waste procurement best practice already developed elsewhere in the UK.

- We want to work as effectively as possible with the market in order to ensure Wales has the capacity to meet its targets.
- The Assembly Government is not only concerned with getting the necessary infrastructure in place, but also providing the support needed to develop and manage this technology. We have provided funding to Glamorgan University to help set up a Centre of Excellence for Anaerobic Digestion.
- The Centre of Excellence will act as a point at which industrial end users with an interest in anaerobic digestion can access the information and expertise developed within Glamorgan University.

- The Centre will provide maximum benefits to all stakeholders including the waste management industry, other industrial end users, government and local authority stakeholders and ultimately the Welsh public who are currently seeking to use this technology, and will contribute towards Wales achieving the targets for diversion of biodegradable waste from landfill.
- I would also like to highlight the work undertaken on the bio-energy action plan for Wales. This plan was consulted on in February this year and currently my officials are collating responses.
- The consultation on the Bio-energy Action Plan for Wales sets out the Assembly Government's objectives to lessen our reliance on fossil fuels and increase the use of renewable, low-carbon energy sources. The aim of this bio-energy action plan is to

secure the annual generation in Wales of at least 5 terawatt hours of electricity - about 20% of our current needs, from renewable biomass by 2020.

This will result in a reduction of about 3 million tonnes of carbon dioxide emissions per year in comparison with generation based on fossil fuels.

- Anaerobic digestion of source segregated food wastes can be used to create renewable energy and will help us to meet this target.
- We consider it feasible to separately collect some 600,000 tonnes of food waste each year from houses and businesses in Wales. Digesting this quantity of food waste in a network of AD plant would generate about 1% of Wales electricity needs – 0.2 terrawatt hours. This will also help to create investment opportunities and green jobs in Wales.

- As part of the waste strategy review, the Assembly Government is committed to the appropriate use of digestate and considers that this can have a role to play in displacing synthetic fertilisers for applications to land.
- The Assembly Government supports the development of PAS 110 (a publicly available specification) for AD digestate – an industry standard against which producers can check that the digested materials are of consistent quality and are fit for purpose. This will remove a major barrier to the development of AD by encouraging markets for these digested materials. This PAS, together with other supply and demand market development measures, should encourage more sustainable practices in the management of biowastes.

- Renewable energy production provides many opportunities within the agricultural sector. This has been recognised by the Assembly Government. The Department For Rural Affairs will deliver the One Wales commitment of promoting energy efficiency and renewable energy production on-farm through Farming Connect. We are financially supporting appropriate energy efficiency and production schemes on farm through the new Axis 2 land management contracts.

- On-farm Anaerobic Digestion may not be a viable option for all farms, indeed it may be that for an anaerobic digestion plant to be both economically and environmentally viable a co-operative approach is required, whereby a number of farmers contributing feedstock to the plant with the possible addition of non-farm feedstock such as food wastes.

- It may be that the primary role which agriculture can play within the Anaerobic Digestion system is utilising the product of anaerobic digestion, digestate as a replacement for manufactured fertilisers. This replacement could contribute to the agricultural sector achieving climate change mitigation targets through displacement of carbon dioxide associated with fertiliser manufacture and use.
- In addition to the Axis 2 land management scheme, My college Elin Jones is investigating on-farm energy opportunities within the Climate Change and Land use programme that she recently initiated.
- I would like to sum up briefly by saying - We have set the ambition that Wales should lead the world in

sustainable resource management – I am confident that we are well on the way and assure you that there will be no let up in our collective efforts to achieve this. Continued collaboration and hard work will be necessary to ensure Wales meets EU targets.

- Wales is ready for business. Thank you.