

Environmental Authorisations (Scotland) Regulations 2018- Proposed changes to the Charging Scheme - SEPA

Questions 1 – 5 request contact information and publishing permission.

6.	<p>Do you agree with the charging proposals in Table 2: Charging changes to existing water activities? Yes No If you answered 'No', please explain why.</p>
Yes	
7.	<p>Do you agree with the charging proposals in Table 3: Charging changes to existing industrial activities? Yes No If you answered 'No', please explain why.</p>
No comment	
8.	<p>Do you agree with the proposal to introduce application charges for the activity currently described as PPC A: the operation by a third party of an activity described under Part B of Schedule 1 of the PPC regulations as part of a Part A installation, Regulation 12(1). (Reference 10190)? Yes No If you answered 'No', please explain why.</p>
No comment	
9.	<p>Do you agree with the proposal to introduce application charges for the activity currently described as PPC A: The operation by a third party of part of a Part A activity installation (reference 10200)? Yes No If you answered 'No', please explain why.</p>
No comment	
10.	<p>Do you agree with the proposal to introduce application charges for the activity currently described as PPC A: Directly Associated Activities (operated by a third party) (reference 10170 and 10180 (low-risk activities))? Yes No If you answered 'No', please explain why.</p>
No comment	

11.	<p>Do you agree with the proposal to increase application charges for the activity currently described as PPC B 1.1: Combustion of any fuel where thermal input is greater than or equal to 20 megawatts but less than 50 megawatts (reference 10450) in line with the application charge for medium combustion plant subject to a bespoke permit (1-20MW) (reference 10460)?</p> <p>Yes No If you answered 'No', please explain why.</p>
No comment	
12.	<p>Do you agree with the charging proposals in Table 4: Charging changes to existing waste activities?</p> <p>Yes No If you answered 'No' please explain why?</p>
<p>No</p> <p><u>Waste to Land Permit</u></p> <p>When the Environmental Authorisations (Scotland) Regulations (EASR) come into effect, a permit will be required to apply waste, including biosolids, to land. The proposed costs will depend on the size of the landbank.</p> <p>For a landbank of 1500ha, or less, the proposed application fee for the permit is £5,676 and the proposed annual subsistence fee is £12,036 (Ref.: 20037).</p> <p>For a landbank of more than 1500ha, the proposed application fee is also £5,676 and the proposed annual subsistence fee is £20,460 (Ref.: 20038).</p> <p>Both activities are categorised as 'Band 12'.</p> <p>No rationale is provided in the consultation on why the subsistence fees for both permits are so high.</p> <p>A comparison with the current 2024/25 subsistence fees for other Band 12 activities shows that the proposed fees for these new permits are the highest by a significant margin. The current maximum fee for Band 12 activity is only £8,580 and this is for discharges from a public WWTW serving 100,000p.e. or more (Ref.: 13210).</p> <p>The proposed fee of £20,460 for the >1500ha permit is only exceeded by four other activities (out of 122 activities categorised as Band 12 or higher). These four are in either Band 15 or 16 and relate to combustion and incineration activities, with respective fees of £22,150 and £26,036 (Refs.: 10440, 12220, 12250, 12290).</p> <p>Scottish Water would welcome further clarity on why the proposed subsistence fees for the waste to land permits are significantly higher than most other activities and, in the case of the >1500ha permit, comparable to much more complex activities. The principle set out in SEPA guidance is that annual fees aim to recover the on-going costs of regulating an authorised activity. More information is required to</p>	

ensure it is transparent that the proposed fees for these permits are intended to recover efficient costs.

Storage & Treatment of Waste at a WTW or WwTW

The description of the activity that will replace the Paragraph 10 activity (Ref.: 12710) needs to be amended to reflect the name of the Registration i.e. add the following capitalised text: storage and treatment of waste at A WATER TREATMENT WORKS OR a wastewater treatment works.

13.	Do you agree with the charging proposals for mobile plant activities that are highlighted in section 2.4.4? Yes No If you answered 'No' please explain why?
No comment	
14.	Do you agree with the charging proposals in Table 1: New charging activities? Yes No If you answered 'No' please explain why?
No comment	
15.	Do you agree with the charging activity descriptions in Table 5: Changes to charging activity descriptions only? Yes No If you answered 'No' please explain why?
No comment	
16.	If you have any additional feedback on Section 2: Changes to the charging scheme, please comment here.
No comment	
17.	Do you agree with the proposal to charge for the imposition and escalation of an authorisation? Yes No If 'No', please explain why?
No. Scottish Water broadly supports the proposal to charge for the imposition or escalation of an authorisation. However, the consultation document does not explain the rationale for applying a 25% charge, in addition to the application fee. Transparency is required to demonstrate that the proposed charges are aimed to recover efficient costs.	
18.	Do you think SEPA should introduce a Corporate Permit? Yes

	No If you have any additional feedback, please leave your comments here
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Yes

Scottish Water would be supportive of exploring the advantages and disadvantages of a Corporate Permit to better understand the value of having it as an option for authorising multiple, unconnected activities across several sites.

A Corporate Permit would introduce consistency across activities that are currently individually authorised. Conversely, Scottish Water operates many activities across hundreds of assets and merging these into one authorisation may introduce administrative difficulties e.g. the permit could be in a continuous state of variation.

19.	For scenario 1, do you agree with the proposal to charge the equivalent of a standard variation charge for an application to consolidate an authorisation? Yes No If 'No', please explain why?
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No

Scenario 1 covers a single authorisation that has been varied multiple times. The proposal is to apply the equivalent of a standard variation charge (i.e. 30% of the application fee for that activity) to recover the costs for consolidating multiple variations into a single document.

Scottish Water has many authorisations that have been varied multiple times without consolidation. This can make them difficult to interpret by the regulator, the operator and third parties. The benefits of consolidation are, therefore, recognised.

However, consolidation is an administrative task, with no technical decision or input required and therefore a charge of 30% of the application fee seems disproportionate.

This becomes apparent for authorisations in the highest charging bands in the scheme, where consolidation could cost over £11k. For Scottish Water, the cost of consolidating all authorisations that have been varied would be significant and, therefore, not worth pursuing.

Basing the cost of consolidation on the application fee for an equivalent new authorisation does not consider how many variations may need to be merged into a single document. It does not seem reasonable to consolidate an authorisation that has only one or two variations and charge the same fee that would be applied to another authorisation that has multiple variations. Equally, not all variations are the same; some only change one condition and others may introduce new schedules in addition to changing conditions. The amount of work required to merge such documentation will be different and does not justify application of the same fees.

Instead, Scottish Water would support having an administrative fee that is based on the amount of work (e.g. number of hours) required to combine variations i.e. based on the principle of charging to recover costs. This charging structure should be made

available on SEPA's website for transparency and the cost of consolidating an authorisation should be shared prior to an operator making an application (e.g. a quote).

Scottish Water would also welcome guidance on the circumstances that would lead SEPA to initiate consolidations, particularly given the potentially high costs involved.

20.	For scenario 2, do you agree with the proposal to charge the equivalent of a standard variation charge per activity for an application to consolidate an authorisation? Yes No. If 'No', please explain why?
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No

Scenario 2 covers a site that has multiple authorisations (e.g. licences for discharge, waste management and abstraction activities). The proposal is to apply 30% of the application fee for each activity that is to be consolidated.

As noted in the response to Q 3.3.1(a), a charge of 30% of the application fee seems disproportionate and if this approach is to be applied to each activity the total cost could be prohibitively high.

Scottish Water would prefer to see charges more visibly aligned to the costs that result from the amount of work required to combine different authorisations into a single authorisation.

Scottish Water would also note that it may not be appropriate for some sites to have separate authorisations consolidated into a single authorisation. For example, at sites that have abstraction activities and other activities, it would not be acceptable, for security reasons, to have these merged. For this reason, it would be helpful to understand the circumstances that would lead SEPA to initiate a consolidation exercise.

21.	Do you agree with the charging proposals for an application to transfer an authorisation? Yes No. If No, please explain why?
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No

The proposal is to have Standard Transfer fees and a Substantial Transfer fee. The former will apply when only a basic "fit and proper person" assessment is required, and the latter will apply when a detailed assessment is needed.

Scottish Water would welcome further guidance on the circumstances that would require a basic assessment or a detailed assessment and information on the scope of each of these. This is not explained clearly in the consultation, or in the Fit and Proper Person guidance.

22.	<p>Do you agree with the proposal to charge for the transfer of a revocation notice?</p> <p>Yes No. If 'No', please explain why?</p>
No comment	
23.	<p>Do you agree with the proposal to charge for determining commercial confidentiality in relation to information and regulatory notices?</p> <p>Yes No. If 'No', please explain why?</p>
No comment	
24.	<p>If you have any additional feedback on Section 3: Other changes to the charging scheme, please comment here.</p>
<p>Scottish Water notes that SEPA intends to carry out a wider review of the charging scheme. Consideration of the following would be welcomed to ensure that the charging scheme reflects the principle that fees are intended to recover efficient costs.</p> <p><u>Variation Fees for Sewer Network Licences</u></p> <p>To add one new combined sewer overflow (CSO) to a sewer network licence (SNL) can cost up to £18,000*. In comparison, the cost of an individual authorisation for a CSO that is not part of a network authorised by a SNL is £4,257.</p> <p>In a large network, where many overflows are undergoing investment, it could require several variations a year to keep the SNL up to date. This would incur significant costs that are disproportionate and not comparable to costs for obtaining individual authorisations for the same activity.</p> <p>Scottish Water would welcome a review of the current approach that is used to determine the cost of SNL variations to ensure it is more proportionate.</p> <p>* Substantial variation of a SNL serving a population equivalent of 100,000 or more (i.e. 70% of the application cost of £25,543).</p>	