



environmental
services
association

ESA PRESS STATEMENT

Ofgem decision to reduce payments to small, sustainable generators makes a mockery of circular economy ambitions - ESA

LONDON, 21 June 2017: The Environmental Services Association (ESA), the voice for the UK's resource and waste management industry, today has raised concerns over Ofgem's decision to reduce payments to small decentralised generators by almost 95%.

Ofgem has announced its decision to cut the payments from £45/kW to between £3/kW and £7/kW over three years, which will hit small-scale renewables, including waste-fuelled electricity generated by Energy from Waste, Anaerobic Digestion and landfill gas.

ESA's Executive Director, Jacob Hayler said:

"Ofgem has ignored our concerns about the scale of the proposed cuts to small, decentralised, low-carbon generators. Not only does this decision endanger the UK's renewable energy commitments, it also makes a mockery of our Circular Economy ambitions by disincentivising resource efficient use of waste as a fuel. The removal of these payments will raise costs of waste management for local authorities at a time when services are already under threat.

"Energy generated from waste is a reliable source of low-carbon baseload electricity which contributes to the UK's security of supply whilst keeping costs down for consumers. Despite the Government's pronouncements on the importance of diversifying the energy mix, Ofgem has favoured big fossil fuel power stations over smaller more sustainable generators which could now be forced out of the market. As ESA has said in the past, network charging is highly

complex and these changes should not be made in isolation or they risk unintended consequences.”

ENDS

Notes to editors:

1. The **Environmental Services Association** (ESA) is the trade association representing the UK's resource and waste management industry, which is leading the transformation of how the UK's waste is managed.
2. We work with all levels of government, regulators and the public to deliver a more sustainable waste and resource management solution for the UK. ESA's recent Circular Economy report '*Going for Growth – A practical route to a circular economy*', which outlines how a Circular rather than a linear economy can help manage resources sustainably, can be downloaded [here](#).
3. ESA's Members manage waste on behalf of the whole of society and we are recovering more than ever before. For example, the industry has helped quintuple the UK's household recycling rates over the last decade.
4. **The sector at a glance**
 - Total turnover: **£11 billion**
 - Direct Employment: **106,000 people** (*including waste collection, treatment and materials recovery*)
 - Municipal waste handled each year: **27 million tonnes**
 - Energy generated (across landfill gas, anaerobic digestion and energy from waste) each year: **approximately 11,867 GWh**, which is 3.5% of the UK's electricity
 - **9,083 GWh of that was renewable electricity** (taking out non-biodegradable portion of EfW) which is **11%** of UK's renewable electricity
 - Greenhouse **gas emissions down by 70% since 1990.**
 - The **top seven companies account for approximately 40% of turnover.** Many hundreds of SMEs provide either localised or more specialised services
 - Waste & recycling is the **most highly rated of all council services** by the public (2016 survey)

For further details please visit www.esauk.org

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