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PROSIECT GWYRDD



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TURNING A PROBLEM INTO A RESOURCE

Three solutions compete for Prosiect Gwyrdd contract

Prosiect Gwyrdd has been in detailed discussions with the four selected Participants, to deliver a solution to the remaining waste of the five partner authorities after recycling and composting has been maximised in each area.

Following the latest round of dialogue meetings, the Project has received confirmation from one of the Participants, Waste Recycling Group Ltd, that they wish to leave the procurement process. The reasons given relate to the company not being in a position to submit a proposal at the next stage which will meet WRG's high standards and do justice to the partnership requirements.

Rob Quick, Senior Responsible Officer for Prosiect Gwyrdd, said: "We are obviously disappointed to lose any Participant at this stage. WRG have explained their reasons and we accept that they really had no option but to withdraw. On a positive note, we have three strong bidders still in the procurement each offering very competitive and exciting solutions."

The procurement for this project is extensive and is being conducted in line with EU Procurement Law. Following the detailed stage (ISDS) of the procurement, the Project reserves the right to have a refined stage (ISRS) to further expand on the submissions that have been given. Following this process, the procurement will move to 'Call for Final Tender', when two bidders are anticipated to remain.

Notes to Editors:

Procurement, funding and waste flows

- The Participants which remain in the procurement process are (in alphabetical order):

Covanta Energy Ltd: Covanta Energy Ltd is proposing a merchant Energy from Waste (EfW) facility located at Brig y Cwm, Merthyr Tydfil.

Veolia ES Aurora Ltd: Veolia ES Aurora Ltd is proposing an Energy Recovery Facility (ERF) located at Bowlease Common, South of the existing Corus Llanwern Steelworks, Newport.

Viridor Waste Management Ltd: Viridor Waste Management Ltd is proposing a merchant Energy from Waste (EfW) with Combined Heat and Power facility located at Trident Park, Cardiff.

- The procurement of this project is envisaged to take approximately Two (2) years, the indicative timetable is summarised below:

OJEU advertised to the market – November 2009
Prequalification Questionnaire –spring 2010

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Dialogue with bidders – spring 2010 to spring 2012
 Preferred bidder – autumn 2012
 Contract finalised and planning –2012

- Funding has been secured from WAG through the Outline Business Case (OBC) in the form of a grant and will contribute 25% of the future gate fee up to a maximum of £9.124m in a full year of operation depending upon approval of the final business case for the project. The level of grant awarded for Prosiect Gwyrdd is based on a projection of the estimated cost of providing the facility and will vary in line with the actual costs when the Final Business case is approved. The actual calculation must remain commercially confidential as the project will be subject to a commercial tender process.
- Waste Arisings' that make up 'residual waste' have been analysed in 2003, June 2009 and November 2009 by AEA Technology. The research in 2003 was used to compose data for the OBC for Cardiff, Monmouthshire and Vale of Glamorgan, while specific composition data was available for Caerphilly and Newport. WAG commissioned AEA technology to carry out further research in June 2009 and November of 2009. This new research will be evaluated to inform the procurement and participants of the quantity and composition of 'residual waste'. A 'Waste Arisings' briefing is available at www.prosiectgwyrdd.co.uk.
- As reported to the Joint Committee, the waste flow modelling will continue to be assessed at each stage of the procurement process. The predicted tonnage of 188, 304 for 2017/18 should not be interpreted as the Guaranteed Minimum Tonnage (GMT). The GMT will be agreed with the successful Preferred Bidder at the end of the procurement, after further reviews and assessments have taken place.

Stakeholder consultation

- Stakeholder days and surveys were conducted between September and December 2009 to engage with key stakeholders on the Evaluation Criteria. Specific issues were discussed and assessed seeking views on the priorities of technical, social, financial and legal aspects of the Evaluation Criteria.

Regulation and research into perceived health effects

- The Environment Agency regulates all energy from waste facilities, and information on the process of this regulation can be downloaded from their website, www.environment-agency.co.uk.
- All waste processes which involve burning have to comply with the Waste Incineration Directive (WID). This law sets stringent controls on emissions of all types of energy from waste technologies, including Pyrolysis, Gasification and Energy from Waste with Combined Heat and Power (Incineration). These technologies are required to monitor emissions to ensure that they comply, as a minimum, with the limits in the EU Waste Incineration Directive (2000/76/EC) which sets strict emissions controls for pollutants. The Directive has been implemented in England and Wales by the Environmental Permitting (EP) (England and Wales) Regulations 2007. From April 2008 these replaced the Pollution Prevention and Control (PPC) (England and Wales) Regulations 2000'. The guidance on this legislation can be viewed through the following link: <http://www.defra.gov.uk/environment/policy/permits/documents/wid-guidance.pdf>.
- The Health Protection Agency published a report in September 2009, addressing the perceived health effects of waste incineration. The report can be viewed through the following link: http://www.hpa.org.uk/web/HPAwebFile/HPAweb_C/1251473372218.
- The comparative impacts on health on different methods of waste disposal have been considered in detail in a report prepared for the Department of Environment, Food and Rural Affairs (Defra 2004). A summary of this extensive research can be reviewed through the following link: <http://www.defra.gov.uk/environment/waste/statistics/documents/health-summary.pdf>.
- This research, 'The Review of the Environmental and Health Effects of Waste Management Municipal Solid Waste and Similar Wastes', 'considered 23 high quality

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studies of the patterns of disease around EFW plants and four peer review papers looking at the health effects of EFW plants. It concluded that there is no convincing link between EFW plants and adverse effects on public health' (http://www.environment-agency.gov.uk/static/documents/Business/5_wip_health_2147990.pdf.)

(Ends)

Issued by Prosiect Gwyrdd
Email: info@prosiectgwyrdd.co.uk
Telephone: 02920 717566 or 07976 519413

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