

HSR environmental conference – financial provision the ‘hot topic’

Making provision for the cost of mopping up environmental damage – as well as greater energy and water efficiency, for businesses large and small – were among the themes at this year’s HSR environmental conference.

Ibec’s head of energy, environment and OSH policy, **Neil Walker**, led off his presentation with the current ‘hot topic’ of financial provision for the cost of cleaning up potential future environmental damage, with five different types of financial provision now accepted by the Environmental Protection Agency (EPA).

The EPA’s intention is to ensure that the taxpayer is not left liable for any ‘cleanup’ costs that arise if the organisation responsible for the environmental damage goes out of business, or is otherwise unable to pay. The provision must be made by any organisation holding a pollution or waste licence, as well as other licenced activities.

Dr Walker said that the impairment insurance option, which the EPA has recently become more willing to accept, potentially offers the best value for organisations. The EPA originally sought a ‘secured fund’ (essentially cash in a bank in case it was needed) or a ‘performance/on-demand bank bond’, which the EPA could call on in case it as needed.

More flexible forms are parent company guarantees and charges on property.

Solicitor **Jason Milne** of A&L Goodbody said that it was “the EPA’s call” as to the type and amount of financial provision it found acceptable. The only opportunity to challenge its decisions was to seek a judicial review in the High Court, but the more flexible recent guidance from the EPA made it less likely that organisations would feel the need to challenge its decisions.

Mr Milne explained that there were two types of risk to be covered: Environmental Liability Risk Assessment (ELRA) for unexpected incidents; and Closure Remediation and Aftercare Management Plan (CRAMP) for foreseen events like closure of a site.

He said the EPA accepted secured funds and on-demand performance bonds for all liabilities, but parent company guarantees and insurance were not accepted for CRAMP situations, adding that he saw no reason why they should not be accepted.

For performance bonds and parent company guarantees, he said legal opinion was required if the surety was outside the jurisdiction, while charges on property were limited to 30% of the property’s value and could only be used to cover part of the liability.

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A delegate from the EPA later clarified that subject to EPA approval, parent company guarantees would be considered for certain CRAMP situations, a clarification that was welcomed by Mr Milne.

Mr Milne also cited a District Court case in 2013 (*EPA v Behans Land Restoration*), in which the company was convicted of failing to make financial provision to the satisfaction of the EPA, with a fine of €2,000, plus EPA costs of €2,000.

Resource efficiency

The potential for easy savings through ‘resource’ efficiency – which includes water and waste as well as energy – was set out by **James Hogan**, environmental consultant and programme manager at the Clean Technology Centre in Cork Institute of Technology.

The CTC runs the Green Business and other similar programmes funded by the EPA, which provides free site assessments for firms spending more than €25,000 a year on utilities. Many of the energy saving projects supported are ‘low-hanging fruit’, small projects with payback periods of less than two years. As much as €6 million in cost savings were identified by Green Business in the 2011-2014 period, with average savings of €37,000 per business visited.

Sustainable business, he said, was about looking after people, profit and the planet and while profit was the most evident driver at the coalface, the environment supplied raw materials for business. “You can’t have Profit without the Planet”, he said.

There are three elements to resource efficiency, he said: organisational (monitoring and measuring); technical (efficient technologies and processes); and people (staff awareness).

As an example of the first, he cited the CTC's benchmark for water consumed per sleeper in hotels, which had fallen from 499 litres in 2004 to 301 litres in 2014. The Stillorgan Park Hotel in Dublin found their consumption was double the benchmark, which led them to use a leak detection company costing €8,000 that found 25 leaks. This halved their water bills to €65,000 per annum, meaning a payback period of just seven weeks.

In terms of technical solutions, he cited the Castlemartyr Hotel in Co. Cork, which replaced half of its 3,000 halogen spot lights with LED lights. The investment was €39,000, but it saved €35,000 in electricity and €4,000 in maintenance, meaning a payback period of one year.

As for staff awareness, he cited Sodexo Catering at a major industrial customer, where until recently, 1.2 million paper cups were being sent to landfill each year, at a cost of €150,000. Instead, free mugs worth €6 each were provided to staff for €20,000, with staff made responsible for washing their own cups, leading to a payback period of just seven weeks.

Energy management standard

Also on the theme of energy efficiency, but through an in-house project undertaken by a large firm, **Padraic O'Connor**, building services development manager with construction firm Sisk, explained how they went through the process of qualifying for the energy management standard ISO 50001.

He said that as a starting point, they set up an Energy Forum, with 17 managers from all of the company's business units across Ireland and the UK. Views from the Forum were fed by an energy coordinator, Ruth Riordan, into a smaller energy steering group of six managers, including O'Connor, Riordan, the health, safety, environmental and quality manager Tony Sheridan and the sustainability managers for both Ireland and the UK. This group then assessed energy usage, identified actions to be taken and managed and assessed those actions.

Among the lessons learned from the Forum were that senior management representation was essential, as was input from different functions. Volunteers for the role tended to be more enthusiastic and it was important to have continuity of Forum members.

They used 2014 energy usage as the baseline and found that about 80% was for diesel, divided about evenly between site plant and their road fleet, with most of the rest being electricity. While some high energy expenditure was unavoidable, the Forum collected savings ideas, with the best options selected by the steering group.

As turnover can vary considerably from year to year, the measure of kilowatt hours per million of turnover was selected. This fell from 38,961 kWh in 2014 to 37,792 in 2015, with a similar fall expected in 2016.

Environmental noise

Recent developments on environmental noise (as distinct from workplace noise) were explained to delegates by acoustic and environmental consultant **Dermot Moloney**. He said that "definitive research now links environmental noise" to sleep deprivation, depression, stress, and heart disease.

He explained how varying sound levels in a home or public place could be averaged over a 24-hour period to find the Lden level. In the UK, 56% of homes are exposed to daytime levels exceeding World Health Organisation guidelines, while 54% of people in the EU live where traffic noise is 'risky to health'.

However, different types of noise at the same decibel levels could be seen as more or less 'annoying' depending on its source. For example, aircraft noise was regarded as more annoying than road traffic noise, with rail traffic the least 'annoying'.

EPA inspections

The EPA inspector's point of view was set out to delegates by **Mary Frances Rochford**, the EPA's manager of environmental enforcement for the Dublin region. She said that the EPA has adopted an intelligence led, risk based, sectoral approach to enforcement and communicates the sectoral priority issues to licensees within industry and waste sectors on an annual basis. Many non-compliances identified during site visits are often related to poor housekeeping practices regarding the storage and management of raw materials and wastes which present an environmental risk to surface and groundwater.

She also said that EPA site visit reports are to be published online from January 2016. These had always been available for inspection by the public before in EPA offices, but now they will be more easily accessible.