

1. Non-Technical Summary

Introduction

Diageo Distillery Limited, the owner of the grain distillery Cameronbridge, Windygates, Leven, have requested a time limited derogation from the emission levels associated with best available techniques associated emission limits (BAT-AEL) for chemical oxygen demand (COD), total suspended solids (TSS), total nitrogen (TN) and total phosphorous (TP) discharges to the water environment.

This request relates to one of the BAT Conclusions (BATc) for the Food, Drink and Milk sector, published on 4 December 2019, which form part of the BAT Reference Document (BREF) for this industry sector. This decision document sets out the steps that SEPA have followed in assessing the request for derogation.

BAT Review Process

The BREF document sets out the techniques and technologies that are considered to be the most effective at reducing emissions for a specific industry. BAT Conclusions, which are the reference for setting permit conditions and therefore include the emission levels associated with the best available techniques (BAT-AEL) are published on roughly eight – ten year cycles, with sites having four years to comply with the requirements, following publication.

Following the publication of BAT Conclusions, SEPA reviews the site's Pollution Prevention and Control permit to determine the Best Available Techniques (BAT) for the site and any necessary changes to deliver the updated requirements. The review process involves detailed examination of current and proposed operations and the drafting of changes to the conditions of the permit.

In the event that achievement of the BAT-AEL would lead to disproportionately higher costs compared to the environmental benefits due to the geographical location, local environmental conditions or technical characteristics of the site, derogation from the BAT-AEL can be requested. This requires significant discussion and agreement from SEPA that it is an acceptable route. There are strict legal tests that must be passed for a derogation to be acceptable. These are all detailed below, with the primary tests being that no Environmental Quality Standards (EQS) are being breached and that the environment is protected.

In order to demonstrate disproportionate cost, a Cost Benefit Analysis (CBA) is completed, using a Spreadsheet tool developed by the UK Environmental Regulators. This is freely available on the Gov.UK website.

If the costs exceed environmental benefits, then SEPA will assess the request for derogation at a Technical Oversight Panel to ensure that a consistent and rigorous assessment process is applied. The draft decision document and relevant section of the proposed permit will be placed on SEPA's website for 28 days for public comment. These comments are then reviewed and taken into account before a decision is taken on the permit variation.

Diageo Distillery Limited Permit Review

SEPA has been reviewing the entire Pollution Prevention and Control permit for the Cameronbridge site against the BAT Conclusions. Activities covered within the scope of the PPC Part A Permit include the manufacture of grain whisky and the anaerobic digestion (AD) of distillery co products. A derogation has been requested from the requirements of one of the applicable BAT Conclusions.

Diageo Distillery Limited has a track record of investing in the site to innovate and recover resource value from the effluent stream. This work has delivered tangible circular economy and low carbon outcomes that have contributed to a high level of protection of the environment as a whole which are described in more detail in other parts of this document.

The permit review will include first time emission limit values for certain water emissions, reduced Emission Limit Values (ELVs) for other water emissions together with improved data gathering and reporting measures.

Derogation Application

The site has requested derogation from the BAT-AELs for chemical oxygen demand, total suspended solids, total nitrogen & total phosphorous emissions to water from the final effluent discharge. Emissions of these four parameters are dealt with as a single derogation from the associated emission limit (AEL) requirements of BAT Conclusion number 12.

The detail of the application is set out below, but in summary, Diageo have applied for a 6-year derogation from two of the BAT 12 AELs until 4 December 2029 for TSS and TP and an 8-year derogation for the remaining two BAT-AELs for COD and TN until 4 December 2031.

The approach of recovering resource value from the effluent discharge is innovative both within and out with the industrial sector and, where successful, will support delivery of net zero carbon emission ambitions not only at a site level but also in the wider Scotch whisky industry & society.

SEPA Assessment

SEPA has carried out a rigorous assessment to first establish whether the site is eligible for derogation and then to complete a thorough CBA.

SEPA has concluded no Environmental Quality Standards (EQS) will be breached and no significant pollution of the environment will be caused. Emissions are expected to fall during the derogation period as different interim step changes are implemented.

A high level of protection of the environment as a whole will not only be maintained but enhanced during the derogation period and beyond.

The CBA indicates the cost of meeting the BAT-AELs by December 2023 is disproportionate compared to the environmental benefits.

SEPA accepts that a 6- and 8-year derogation period is justified by the evidence provided.

Environmental Impact

A long sea outfall discharges effluent from the distillery and bioenergy treatment process into the Firth of Forth at a distance of 900m from the shore. The receiving waters are known as Elie to Buckhaven waterbody and classified as Good for Water Framework Directive (WFD) classification purposes. The effluent discharge from the grain distillery has not been identified as a pressure to the classification of this water body.

The Elie to Buckhaven waterbody (ID: 200050) is in the Scottish river basin district and is 63.3 km² in area.

SEPA's assessment of the most recent benthic survey carried out in October 2022 and Environmental Impact Assessment carried out in September 2022, is that the existing discharge is not having a significant impact on water quality and that reducing the emissions from the discharge to the water body to meet the BAT-AELs will not change the water body status which is currently Good.

Conclusion

SEPA are minded to grant a time limited derogation of 6-years for TSS and TP until 4 December 2029 and 8-years for COD and TN until 4 December 2031. SEPA has therefore proceeded to the public consultation step of the process.