



Introduction

1. The UK Cement Industry

The British Cement Association is the trade and research organisation that represents the interests of the United Kingdom’s cement industry in its relations with Her Majesty’s Government, the European Union and relevant organisations in the United Kingdom. The members of the BCA (Buxton Lime Industries, Castle Cement, Lafarge Cement UK, Cemex) are the major domestic manufacturers of Portland Cement producing over 90% of the cement sold in the UK. Climate change services are supplied to Quinn Cement by BCA.

Energy represents an ever escalating component of the variable costs of cement manufacture (now well in excess of 35%) and it is therefore a primary concern of the industry to take all cost effective measures to improve energy efficiency and thereby reduce its emissions of carbon dioxide.

Through their parent companies, Lafarge Cement UK, Castle Cement, and CEMEX UK Cement are committed to carbon reductions through the World Business Council for Sustainable Development Cement Sustainability Initiative, (WBCSD CSI). In addition, Buxton Lime Industries has undertaken to adopt the commitments within the WBCSD CSI.

With respect to commissioning, cement kilns are complex mechanical and chemical one off designed systems and unlike a modern car which we expect to perform at design capacity from delivery, cement kilns will be subject to a learning curve and a bedding in period which is in comparison quite extensive. Thus we recommend that a commissioning period factor is included in the NE arrangements for new entrants to the cement industry.

2. Specific Consultation Questions

Q1. Which option do you consider would be appropriate, and why? Please provide evidence to support your response.

Option 2 or Option 4 is considered the most appropriate.

It is unlikely that many new entrant installations in the EU ETS sectors will not have a commissioning period of some kind, where outputs, and therefore emissions, are affected over the commissioning period. It therefore appears sensible to include commissioning criteria in the benchmark calculations.

In the cement sector the commissioning period can vary, but so can the output. For example, **Figure 1** illustrates that a (simplified) plant with a design capacity of 2500 tonnes per day could emit a similar amount of CO₂ over a different commissioning period because the emissions are affected by actual production rather than just a function of design capacity and commissioning days.

Figure 1

design capacity tpd	te CO2/te	days commissioning	capacity factor	Actual production tpd	emissions
2500	1	50	1.09	2725	136,250
2500	1	45	1.19	2975	133,875



This is likely to be true for many sectors to a greater or lesser degree, however, the consultation options do not allow for sector specific commissioning periods to be developed.

Consequently, it is appropriate to continue with an approach similar to Phase I for the cement and ESI sectors so as not to provide competitive distortions. We understand from the brief information given in the consultation letter that for the cement sector both Option 2 and Option 4 would have the same result therefore from the cement sectors point of view either option 2 or 4 would be appropriate.

Q2. What constitutes commissioning for the technologies in your sector that are most likely to be eligible for allowances from the Phase II new entrant reserve?

Please provide evidence to support your response.

Sector and technology: In the cement sector dry and semi-dry process kilns would be the two most likely technologies to apply for allowances from the Phase II new entrant reserve.

Commissioning period:

Days	
10	
20	
30	
40	
50	
Other (please specify)	It would appear sensible to stick with the Phase I approach of 50 days at 50%

Load factor during commissioning period:

Load	
10%	
20%	
30%	
40%	
50%	
Other (please specify)	It would appear sensible to stick with the Phase I approach of 50 days at 50%