



MARKET INSIGHTS REPORT

Industrial Heating Fuels Market Insights Report

This report introduces the EU and UK regime relating to industrial combustion plant emissions which seeks to reduce greenhouse gas (GHG) emissions and improve air quality.

Fuel choice is the most direct means of minimising emissions from combustion plants. While the industrial heating fuel regulatory landscape is complex—with regulations, varying products and standards—we make fuel choice straightforward. At Nirva, we can combine UK-specific understanding of regulations with expertise – to ensure a secure, tailored fuel supply that fits our client's commercial and sustainability needs.

The key Directives relating to combustion plants are the:

- Medium Combustion Plant Directive (MCPD 2015/2193)
- Large Combustion Plant Directive (LCPD 2001/80/EC)
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The UK Emissions Trading Scheme (UK ETS) is both a carrot and stick driving combustion plants towards decarbonisation. The UK ETS is the UK's cap-and-trade carbon pricing system, designed to reduce greenhouse gas emissions by setting a limit (cap) on total emissions and allowing trading of emission allowances.

Medium Combustion Plant Directive (MCPD)

The EU is home to approximately 143 000 medium combustion plants (MCPs). They are used for electricity generation, domestic or residential heating and cooling, and for providing heat or steam for industrial processes. As these plants are a significant source of emissions of sulfur dioxide (SO₂), nitrogen oxides (NO_x) and dust, the EU has introduced specific legislation with the aim of protecting the environment as well as the health of its citizens.

The MCPD effectively fills the regulatory gap at EU level between large combustion plants (> 50 MWth), covered by the Industrial Emissions Directive (IED), and smaller appliances (heaters and boilers <1 MWth) covered by the Ecodesign Directive.

The MCPD also implements obligations arising from the Gothenburg Protocol under the UNECE Convention on Long-Range Transboundary Air Pollution.

The objectives of the MCPD are to:

- limit emissions of certain pollutants into the air from the operation of MCPs
- address the potential need for Member States to apply stricter emission limit values in areas where this can improve local air quality in a cost-effective way
- provide information to Member States on the lowest emissions achievable with the most advanced techniques. The necessary technical information is provided by an information exchange between stakeholders.

In the Directive - 2015/2193 - EN - EUR-Lex, you will find the sulphur-oxide (SO₂) limits in Annex II, which the Directive refers to in Article 5. Article 5 of the Directive states that from certain dates (20 December 2018 for new plants; 1 January 2025 for existing plants > 5 MW; 1 January 2030 for existing ≤ 5 MW) the plant must not exceed the emission limit values set in Annex II. We can work in partnership with you to provide reliable supply of MCPD compliant fuel.

Large Combustion Plant Directive (LCPD 2001/80/EC)

The aim of the LCPD is the regulation of emissions to air from large combustion plants (LCPs). The Large Combustion Plants Directive (LCPD) (2001/80/EC) applies to combustion plants with a rated thermal input of 50 MW or more (Article 1). Plants covered include power stations, petroleum refineries, steelworks, and other industrial processes burning solid, liquid, or gaseous fuel. The emissions regulated are sulphur dioxide (SO₂), nitrogen oxides (NO_x) and dust (particulate matter). These pollutants are known to damage human health and contribute to acid deposition, which acidifies soils and freshwater bodies, damages plants and aquatic habitats, and corrodes building materials.

LCPD plants are separated into three groups based on the date they were first permitted: new-new combustion plants: licensed after 27 November 2002 (if put into operation before 27 November 2003); new combustion plants: licensed between 1 July 1987 and 27 November 2002; and existing combustion plants: licensed prior to 1 July 1987. In these definitions licensed means the original construction licence or in the absence of such procedure the operating licence. The importance of these distinctions occurs in the compliance options available to the combustion plants.

We can work in partnership with you to provide reliable supply of LCPD compliant fuel.

UK Emissions Trading Scheme (UK ETS)

The UK Emissions Trading Scheme (UK ETS) is one of the UK's flagship decarbonisation policy instruments.

The UK ETS currently covers the heavy industry, power and aviation sectors – approximately 25% of UK territorial emissions. By setting a limit – the cap – on emissions from these sectors, and creating a carbon price, the scheme incentivises investment in decarbonisation in line with climate targets across the UK. The Authority is expanding the scheme to incentivise additional sectors of the economy.

The UK ETS works directly to tip the balance between continuing to emit, and using or investing in lower carbon technology. It does this by creating a market for carbon allowances, allowing those who decarbonise to trade allowances with those who continue to emit. This process will guide the UK to the most cost-effective path to net zero across the sectors the ETS applies to.

How can Nirva help?

Industrial combustion plants are facing growing pressure to cut emissions from the MCPD, LCPD and UK ETS. But with volatile costs and a maze of fuel options, the path forward isn't always clear. That's where we come in. We supply a range of industrial heating oils. We review your current fuel supply and deliver clear, pragmatic strategies to reduce emissions using relatively low-emission fossil heating oils and drop-in alternatives like HVO, FAME, and other blended low-carbon fuels.

Nirva 35 is a sensible lower emission alternative to Medium and Heavy Fuel Oils (BS 2869 Class F / Class G), offering: compliance with forthcoming emissions regulations, a secure supply chain, ambient-temperature storage, easier handling and reduced maintenance. Nirva 35 is also cleaner burning, dependable, low-hassle replacement for Processed Fuel Oil, made from waste lubricating oils, or PFO-blends 'PFO Lite'.

If you are looking to reduce GHG emissions, for combustion plants, biofuels offer an immediate drop-in solution to reduce GHG (greenhouse gas) emissions, without requiring significant modifications to existing engines or infrastructure. They can be blended seamlessly with conventional Gasoil and Kerosene.

The biofuels that are considered promising are fatty acid methyl ester (FAME) & hydrotreated vegetable oil (HVO). These are drop-in biofuels and can be used in existing heating applications and fuel infrastructure. However, biofuel covers a large range of other products too, making the range of different biofuel products; feedstocks, blends and economics rather complex.

At Nirva, we simplify industrial heating fuels. Our team helps to ensure a secure, tailored fuel supply that fits our client's commercial and sustainability needs.

More Information

Nirva's dedicated fuel experts strive to find the optimum fuel solution tailored to your needs. Send us a brief message, and we'll ensure an appropriate member of the team gets back to you promptly.

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