



Lakeside EfW Ltd
Lakeside Road
Colnbrook
Slough SL3 0FE

Tel: 01753 688 430

economicregulation@caa.co.uk

Date: 13 September 2016

Dear Sir,

Lakeside Energy from Waste Ltd, Colnbrook and the Recovery of Costs associated with securing New Runway Capacity

I write on behalf of Lakeside EFW Ltd which is a joint venture between two well-established resource management companies, Viridor and Grundon. It operates the award-winning Lakeside Energy from Waste (EFW) facility at Colnbrook near Slough which sits within a complex that collects, recycles and treats waste from councils, businesses and hospitals, the latter being treated in the High Temperature Waste Incinerator operated by Grundon.

As you may be aware Heathrow Airport Limited's proposals for a 3rd runway at Heathrow will lead to the demolition of our Lakeside EFW facility. The issue of the future of Lakeside EFW and associated facilities featured in the final report of The Airport Commission's report (The Davies Report) published in July 2015. The Report states that the Lakeside EFW facility should be relocated as it plays "*a significant role in regional and local waste management and has a valuable capability to process clinical waste and other contaminated materials. Its replacement is necessary.*"

Naturally replacing a facility as large and as complex as the Lakeside EFW facility is a complicated and time consuming process that includes site acquisition, preparation and submission of a planning application and Environmental Permit application, site preparation and a lengthy construction and commissioning phase. Furthermore in order for Lakeside EFW Ltd to provide continuity of service to the Councils, businesses and hospitals that it serves significant amounts of this work will need to be undertaken in advance of the grant of any DCO planning consent. To avoid subjecting our business to unsustainable funding pressures it is therefore imperative that these costs are able to be met by the airport promoter, Heathrow Airport Ltd.

We are therefore happy that in relation to the most recent consultation on the recovery of costs associated with obtaining planning permission for new runway capacity the CAA recognises that significant expenditure on preliminary works or enabling construction costs will need to take place before any DCO planning consent is granted and that these should be considered as Category C costs. We consider that early regulatory certainty over the recovery of Category C costs is essential to enable Heathrow to meet these costs and give our shareholders confidence in the future of our business.

Given the rather unique set of circumstances associated with securing permission for new runway capacity and the urgent need to progress activities on securing a replacement for our

Lakeside EFW facility it would appear sensible to discuss further especially in relation to the scope of Category C costs. We can then provide more information relating to our facility and understand in more detail any issues and concerns that you may have in relation to cost recovery. I should therefore be grateful if you could suggest some suitable dates for a meeting.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in blue ink that reads "D Coulston". The signature is written in a cursive style with a blue arrow pointing to the start of the name.

Danny Coulston
Director of Operations
Lakeside Energy from Waste.