

Prosperity Agreement

Northern Ireland Environment Agency *and*
AES UK & Ireland



16th June 2017



An Agency within the Department of
**Agriculture, Environment
and Rural Affairs**

www.daera-ni.gov.uk

Prosperity Agreement

16th June 2017

Between:

Northern Ireland Environment Agency (NIEA)

Klondyke Building, Gasworks Business Park,
Lower Ormeau Road, Malone Lower Belfast,
BT7 2JA.

and

AES Kilroot Power Limited ("KPL")

Larne Road, Carrickfergus, BT28 7LX.

and

AES Ballylumford Limited ("ABL")

Ballylumford, Islandmagee, Larne, BT40 3RS.

(KPL and ABL hereinafter together referred to as "AES UK & Ireland").



David Small

Deputy Secretary and Chief Executive, NIEA

In which:

The parties agree to put in place a framework based on the following joint aspirations to enable AES UK & Ireland to move their business further towards long-term prosperity through improved environmental outcomes:

1. Seeking opportunities to explore innovative and sustainable energy solutions;
2. Working in partnership to promote environmental stewardship and develop the circular economy;
3. Supporting security of supply for Northern Ireland with investment in lower carbon generation.



Ian Luney

President, AES UK & Ireland

Background information

Prosperity Agreements are voluntary agreements through which the NIEA and an organisation or a group of organisations can explore new creative means of reducing environmental impacts in ways that create prosperity and well-being.

They are a mechanism for bringing business ‘beyond compliance’ to unlock economic opportunities and environmental benefits through business innovation.

This Prosperity Agreement is between the NIEA, KPL and ABL. It aims to tackle environmental and economic problems facing Northern Ireland and capitalise on opportunities through a stronger partnership between the parties.

Key environment opportunities or challenges

The agreed joint aspirations encompass opportunities that both parties agree are key to developing a better way of working

to improve business and environmental outcomes. **These are expressed as five commitments:**

1. AES UK & Ireland will explore opportunities for innovative energy solutions to deliver stronger economic and environmental outcomes.
2. AES UK & Ireland will continue to seek improvements in energy efficiency and water reduction.
3. AES UK & Ireland will continue their programme of responsible resource and waste management, contributing to the circular economy.
4. AES UK & Ireland and NIEA will partner to encourage innovative and sustainable working practices.
5. AES UK & Ireland will continue to protect and enhance biodiversity, through applying environmental principles across CSR activities.

Commitment	Outcome
<p>1. AES will explore opportunities for innovative energy solutions to deliver stronger economic and environmental outcomes.</p>	<p>a) Installation of an additional 100 MW Advancion Energy Storage Array at Kilroot and / or Ballylumford.</p> <p>b) AES energy storage array will contribute towards increasing integration from 50% to 75% renewable energy sources on the grid. The array will save an estimated 123,000 tonnes of CO₂ emissions per year from the Northern Ireland energy sector, the equivalent of taking 128,250 cars off the road.</p> <p>c) A reduction in emissions over the lifetime of the agreement.</p>
<p>2. AES will continue to seek improvements in energy efficiency and water reduction.</p>	<p>a) Energy savings through implementation of key ESOS audit recommendations.</p> <p>b) At least a 10% reduction in non-process consumption energy.</p> <p>c) Continued improvement in water management within production and ancillary processes.</p>

Commitment	Outcome
	d) At least a 10% reduction in non-process consumption potable water use.
3. AES will continue their programme of responsible resource and waste management, contributing to the circular economy.	a) Promotion of circular economy and its environmental and economic benefits. b) Maintaining waste diversion activities, including the recycling of up to 100,000 tonnes of waste ash per year for re-use in the construction and mining industries.
4. AES and NIEA will partner to encourage innovative and sustainable working practices.	a) Enhanced business and environmental benefits. b) A holistic and strategic approach to economic and environmental issues at AES sites. c) Increased efficiency through integrated working practices. d) Enhanced engagement with central and local government, entrepreneurial and research institutions. e) Establish and promote best environmental practice. f) Enhanced relationship and communication with local residents.
5. AES will continue to protect and enhance biodiversity, through applying environmental principles across CSR activities.	a) Engagement between AES and stakeholders on how to protect and enhance local biodiversity. b) Increased awareness of AES' vision to protect and enhance biodiversity. c) Increased opportunities for environmental and community benefit. d) Promotion of environmental stewardship and its economic benefits.

Parties to the Agreement

AES UK & Ireland

AES UK & Ireland is part of The AES Corporation, a Fortune 200 global power company. We are committed to operational excellence and meeting the power needs of the people of the United Kingdom and Ireland by using our unique electricity platforms and the knowledge of our people to provide the energy solutions our customers truly need.

AES UK & Ireland has supported security of supply for Northern Ireland since 1992. We are Northern Ireland's largest electricity generator, owning and operating Ballylumford and Kilroot Power Stations, both in County Antrim. In 2016, AES UK & Ireland generated 4,047 GWh, meeting 11% of energy demand across the All-Island electricity system.

In Northern Ireland AES UK & Ireland is investing to improve the sustainability of our assets and accelerate the low carbon

transition, while providing cost effective security of supply for consumers. Building on our development and operation of the Kilroot Advancion® Energy Storage Array, the UK and Ireland's largest battery energy storage facility, AES UK & Ireland is committed to operating our current assets and developing new generation and storage facilities in line with our values and commitment to environmental improvement.

NIEA

The Northern Ireland Environment Agency (NIEA) is an Agency within the Department of Agriculture, Environment and Rural Affairs (DAERA) with approximately 450 staff. The Agency is part of the wider Environment Marine and Fisheries Group (EMFG) in DAERA. The NIEA leads in advising on, and in implementing, the Government's environmental policy and strategy in Northern Ireland. Divisions within the NIEA undertake a range of activities that promote the Government's key themes of sustainable development, biodiversity and climate change.

The Strategic Objective of the NIEA is, *'To create prosperity and well being through effective environment and natural heritage management and regulation.* This objective underpins the Department's overall vision, *"A thriving and sustainable economy, environment and rural community"*.

The key outcomes through which the NIEA will meet its strategic objective are:

- a) A fully compliant regulated industry;
- b) Freshwater and marine environment at "good status";
- c) A compliant crime free waste sector;
- d) Good habitat and landscape quality with species abundance and diversity; and
- e) Promote environmentally sustainable development and infrastructure.

Governance arrangements

Life of the Agreement

The parties have agreed that this Prosperity Agreement will operate for a period of five years from the date of this Agreement.

Party stakeholders

For the purpose of this Agreement, stakeholders include KPL and ABL and their employees, NGOs, the Northern Ireland community, NIEA employees, and other government agencies.

Management of the Agreement

The following framework for decision making and management of the agreement has been approved by the two signature parties. The Prosperity Agreement working group will include NIEA representatives, the AES UK & Ireland Contact Point and relevant staff from all parties.

The working group is responsible for:

- Endorsing and directing implementation action.
- Reviewing implementation progress.
- Support appropriate resourcing.
- Interacting with their respective organisations and party stakeholders.
- Reporting and making recommendations on the progress of the agreement to both parties.

This Agreement and progress reports will be made available to the public online. Both parties are accountable and responsible for the commitments made in this Agreement.

Both parties reserve the right to withdraw from this Prosperity Agreement if they believe the Agreement is no longer effectively promoting the joint aspirations, or if significant compliance issues arise at AES UK & Ireland. In the event that a withdrawal or termination looks likely, both parties agree to initiate discussions about why this might occur.

Review and reporting

The parties have agreed to the following review and reporting framework. The working group will liaise on a quarterly basis for the first year to review progress on implementing commitments. The following years will operate on a bi-annual meeting schedule.

The working group will assess progress against commitments and outcomes agreed annually. This review will also identify areas

of focus for the following year and possible amendments to the Agreement. Progress and results will be reported to the KPL and ABL Boards and NIEA Board and made available online. At the end of this Agreement the working group will undertake a full review of the outcomes of the Agreement. This review will assess the success of the Prosperity Agreement and measure deliverables against those identified.

Contact Details

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If you are interested in Prosperity Agreements, contact:

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