



eco2

Our Ref: 902

Your Ref: MH/PLAN/11/ARP

1 May 2008

Mark Heaton
Area Highways Manager - Grantham
Directorate for Development – Highways and Traffic
South Kesteven & Sleaford Highways Division
County Offices
Annexe C
Eastgate
Sleaford
NG34 7EB

Dear Mr Heaton

Sleaford REP Facility

Thank you for your letter dated 7 April that was sent to our consultants, Axis. I write in response to your request for further details of our how our routeing arrangements would be managed in the event that Sleaford REP moves forward.

We foresee routeing arrangements being implemented via a Section 106 Agreement that would place legal obligations on the developer, Eco2 Lincs Ltd. I enclose draft wording that we believe addresses the issues. This would sit as a schedule to the main agreement, with a clause in the main agreement in which the developer covenants that it shall comply with the conditions set out in the schedule.

The obligations set out in the schedule to the Section 106 Agreement would be reflected by similar clauses that would be incorporated into our haulage agreements, as per the enclosed draft. Each haulage agreement will set out the penalties that would be imposed in the event of transgression by a haulier, with the ultimate sanction of termination of contract. In passing, I should note that the developer intends to hand over all revenue (if any) that are accrued from routeing penalties, which we believe should benefit the community affected. This can also be addressed in the Section 106 following discussions regarding the preferred beneficiary to such an arrangement.

Of course, neither of the above is workable in practice without the means of policing the routeing agreement. On that note, we are in the fortunate position that technology has now reached the point where it would be relatively simply to monitor the movements of straw lorries by means of third party vehicle tracking solutions. I enclose a brochure from one company to show what can be achieved. Subject to agreement with the planning authority, we would implement a package such as that enclosed which will be able to demonstrate compliance with the scheme and, where necessary, provide the proof required to enforce the contractual penalties set out in haulage agreements. We envisage reporting our performance in complying with the routeing agreement on a regular basis, probably monthly, and we would be happy for such reports to be a matter of public record.



eco2

Finally, you will see that the legal agreements include a provision for vehicles that are bringing or collecting straw from locations that are very local to the site to be excluded from the routing agreement. We think that this is a sensible exclusion that would otherwise see very local vehicles making long diversions that would probably be detrimental overall in terms of emissions and road usage in general. With the benefit of a vehicle tracking system this exclusion can be refined as the authority wishes so that it minimises the number of lorry movements that would be excluded to only those where the benefits of exclusion from the routing agreement are outweighed by the impact on local roads or public amenity. If you are uncomfortable about such an exclusion then this can, of course, be deleted.

While this letter and enclosures set out the principles of the arrangements, we expect that the details of the routing agreement would be subject to further discussion between the developer and the planning authority (in consultation with your department); final agreement could be a condition of planning, to be achieved prior to first operation of the renewable energy plant.

I hope that this letter demonstrates not only our willingness to make a routing agreement work, but also that the wherewithal exists to implement a workable and enforceable scheme. If you have any questions that please feel free to contact me.

Yours sincerely

Andrew Toft
Commercial Director
Eco2 Biomass

Enc.

Draft schedule to Section 106 agreement

Draft clauses for haulage contracts

Plan to be inserted in Section 106 agreement and haulage contracts

Copy of Masternaut company literature