Cyfoeth Naturiol Cymru Natural Resources Wales

Compliance Assessment Report

Report ID: CAR_NRW0034264

This form will report compliance with your permit as determined by an NRW officer					
Site	Milford Haven Energy	Permit Ref	AP3136UA		
Operator/Permit holder	Dragon LNG Ltd				
Regime	Installations				
Date of assessment	12/11/2018	Time in	10:00	Out	16:00
Assessment type	Audit				
Parts of the permit assessed	Cogen Plant				
Lead officer's name	Evans, Gary Lewis				
Accompanied by					
Recipient's name/position	Balachander Veerasamy/ Process Safety and Environmental Advisor	Date issued	26/11/2018		

Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations or the licence under the Water Resources Act 1991 as amended by the Water Act 2003. A detailed explanation is captured in "Compliance Assessment Report Detail" (Section 2) and any actions you may need to take are given in the "Action(s)" (section 4). This summary details where we believe any non-compliance with the permit has occurred, the relevant condition and how the non-compliance has been categorised using our Compliance Classification Scheme (CCS). CCS Scores can be consolidated or suspended where appropriate, to reflect the impact of some non-compliances more accurately. For more details of our CCS scheme, contact your local office.

Permit conditions and compliance summary	CCS Category	Condition(s) breached
A1 - Specified by permit	A	
B1 - Infrastructure - Engineering for prevention and control of emissions	A	
B2 - Infrastructure - Closure and decommissioning	A	
B3 - Infrastructure - Site drainage engineering (clean and foul)	A	
B4 - Infrastructure - Containment of stored materials	A	
B5 - Infrastructure - Plant and equipment	A	
C2 - General Management - Management system and operating procedures	A	
G2 - Monitoring and Records, Maintenance and Reporting - Records of activity, site diary/journal/events	A	
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	A	

KEY: See Section 5 for breach categories, suspended scores will be indicated as such.
A = Assessed or assessed in part (no evidence of non-compliance), **X** = Action only,
O = Ongoing non-compliance, not scored.

Number of breaches recorded	0	Total compliance score (see section 5 for scoring scheme)	0

If the Number of breaches recorded is greater than zero, please see Section 3 for our proposed enforcement response

Section 2 – Compliance Assessment Report Detail

This section contains a report of our findings and will usually include information on:

- The part(s) of the permit that were assessed (eg. Maintenance, training, combustion plant, etc)
- Where the type of assessment was 'Data Review' details of the report/results triggering the assessment
- Any non-compliances identified
- Any non-compliances with directly applicable legislation
- Details of any multiple non-compliances
- Information on the compliance score accrued inc.
- Details of advice given
- Any other areas of concern
- Any actions requested
- Any examples of good practice
- A reference to photos taken

The visit was arranged to discuss the information request (Regulation 61 Notice) by NRW to obtain plans for compliance on the Large Combustion Plant(LCP) BREF issued in August 2017. The company currently operate a Cogen Plant (>50MWth) that includes 3 gas turbines and 3 waste heat boilers with supplementary firing. This activity specifically falls within the scope of the LCP BREF and NRW will be updating permits with new requirements and limits in line for the implementation date in August 2021.

Dragon LNG outlined that the company have constructed and installed a new reliquification plant on the installation to minimise the requirements of burning the LNG boil off gas from the storage tanks. This plant was commissioned and is now fully operational as of the start of November. The company have subsequently decided that the Cogen Plant will be closed and decommissioned as of the 8th of November 2018.

Dragon LNG are therefore proposing a change to the EPR Permit, removing the Cogen activity. This being the case please find below links to our Charging (OPRA) and Application forms. Prior to submitting an application, we will arrange a pre application meeting with you and our permitting division in 2019.

https://naturalresources.wales/about-us/what-we-do/how-we-regulate-you/our-charges/?lang=en

https://naturalresources.wales/permits-and-permissions/installations/apply-to-vary-change-a-permit-for-installations/?lang=en

https://naturalresources.wales/permits-and-permissions/environmental-permits/regulatory-guidance-notes-rgns/?lang=en

In regard to a closure plan for the Cogen we will expect Dragon LNG to update plans/procedures (i.e. closure plan) as outlined in the permit.

1. *The operator shall manage and operate the activities:*

   (a) in accordance with a written management system that identifies and minimises risks of pollution, including those arising from operations, maintenance, accidents, incidents, non-conformances, ***closure*** *and those drawn to the attention of the operator as a result of complaints; and*

   (b) using sufficient competent persons and resources.

The permit requires Dragon LNG to formally notify NRW of any closure,

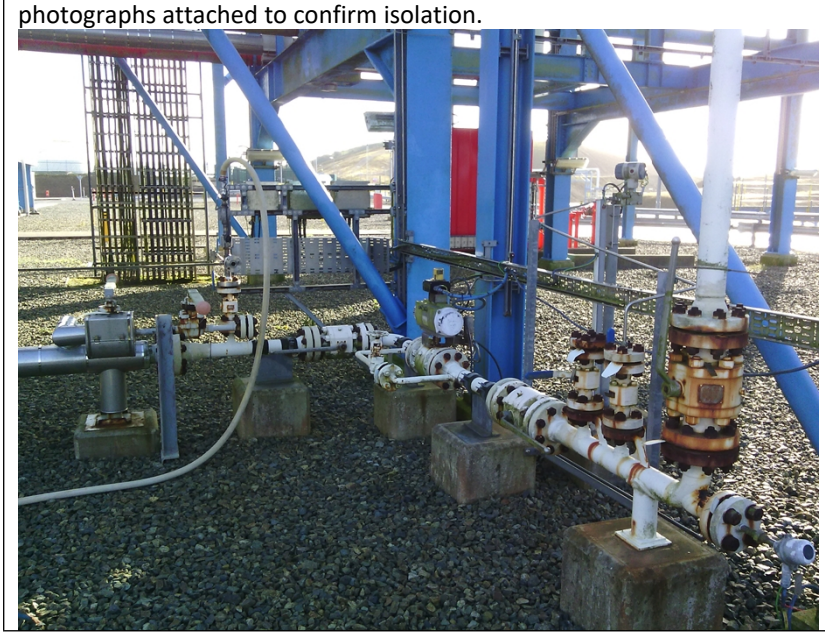
4.3.6 Natural Resources Wales shall be given at least 14 days notice before implementation of any part of the site closure plan.

4.3.7 The operator shall inform Natural Resources Wales in writing of the closure of any LCP within 28 days of the date of closure.

This CAR Form confirms the receipt of the written correspondence from Dragon LNG (Ref 19th November 2018) outlining the closure of the Cogen Plant.

The visit involved an inspection of the Cogen gas supply lines and water system, confirming that the plant was isolated and no longer in operation.

Gary Evans observed isolation of the high-pressure gas line that feeds the Cogen Plant (Isolation No 91) and the isolation of the low pressure gas line - boil off gas (Isolation No 92). The lines were isolated at the time of the inspection on the 12th November, photographs attached to confirm isolation.



Photographs were taken of the BOG isolation along with the hot water line from the Cogen and similarly the hot water connections to the SCVs.

This change to the operation will therefore conclude improvement condition IC9.9.

The Operator shall implement and install physical improvements as detailed in the energy and efficiency improvement plan submitted to NRW in IC9.8, from the date approved by NRW, to maximise energy efficiency from the installation specifically at low or zero send out operating conditions, unless otherwise agreed in writing by NRW.

The company have also provided written confirmation in response to IC 9.9 and this CAR confirms acceptance of the letter from Dragon LNG (Ref 19th November 2018 – Completion of IC9.9)

Cyfoeth Naturiol Cymru Natural Resources Wales	**EPR Compliance Assessment Report**	**Report ID: CAR_NRW0034264**

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Operator/Permit holder	Dragon LNG Ltd	Date	12/11/2018

Section 3 – Enforcement Response

You must take immediate action to rectify any non-compliance and prevent repetition.
Non-compliance with your permit conditions constitutes an offence and can result in criminal prosecutions and/or suspension or revocation of a permit. Please read the detailed assessment in Section 2 and the steps you need to take in Section 4 below.

Section 4 – Action(s)

This section summarises the actions identified during the assessment along with the timescales for when they will need to be completed.

Criteria Ref.	**CCS Category**	**Action required/advised**	**Due Date**
See Section 1 above			

Section 5 – Compliance notes for the Operator

To ensure you correct actual or potential non-compliance we may

- Advise on corrective actions verbally or in writing
- Require you to take specific actions verbally or in writing
- Issue a notice
- Require you to review your procedures or management system
- Change some of the conditions of your permit
- Decide to undertake a full review of your permit

Any breach of a permit condition is an offence and we may take legal action against you

- We will normally provide advice and guidance to assist you to come back into compliance either after an offence is committed or where we consider that an offence is likely to be committed. This is without prejudice to any other enforcement response that we consider may be required.
- Enforcement action can include the issue of a formal caution, prosecution, the service of a notice and/or suspension or revocation of the permit.

See our Enforcement and Civil Sanctions guidance for further information

This report does not relieve the site operator of the responsibility to

- Ensure you comply with the conditions of the permit at all times and prevent pollution of the environment
- Ensure you comply with other legislative provisions which may apply

Non-compliance scores and categories

CCS category	Description	Score
C1	A non-compliance that could have a major environmental effect	60
C2	A non-compliance which could have a significant environmental effect	31
C3	A non-compliance which could have a minor environmental effect	4
C4	A non-compliance which has no potential environmental effect	0.1

Operational Risk Appraisal (Opra) - Compliance assessment findings may affect your Opra score and/or your charges. This score influences the resource we use to assess permit compliance.

Section 6 – General information

Data protection notice

The information on this form will be processed by the Natural Resources Wales (NRW) to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s). The NRW may also use and/or disclose it in connection with:

- Offering/providing you with its literature/services relating to environmental matters
- Consulting with the public, public bodies and other organisations (eg. Health and Safety Executive, local authorities) on environmental issues
- Carrying out statistical analysis, research and development on environmental issues
- Providing public register information to enquirers
- Investigating possible breaches of environmental law
- Assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Regulations request

The NRW may pass it on to its agents/representatives to do these things on its behalf. You should ensure that any persons named on this form are informed of the contents of this data protection notice.

Disclosure of information

The NRW will provide a copy of this report to the public register(s). However, if you consider that any information contained in this report should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within fifteen working days of receipt of this form indicating which information it concerns and why it should not be released, giving your reasons in full.

Customer charter

What can I do if I disagree with this compliance assessment report?

If you are unable to resolve the issue with your site officer, you should firstly discuss the matter with officer's line managers using the informal appeals procedure. If you wish to raise your dispute further through our official Complaints and Commendations procedure, phone our general enquiry number 0300 065 3000 (Mon to Fri 08.00 – 18.00) and ask for the Customer Contact team or send an email to enquiries@naturalresourceswales.gov.uk. If you are still dissatisfied you can make a complaint to the Public Services Ombudsman for Wales. For advice on how to complain to the Ombudsman phone their helpline on 0845 607 0987.

Welsh Language
If you would like this form in Welsh please contact your Regulatory Officer.