

**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	04/05/2017	Time in	10:00	Out	16:00
Assessment type	Audit				
Parts of the permit assessed	Operator Monitoring Assessment				
Lead officer's name	Evans, Gary Lewis				
Accompanied by	Jenkins, Nicholas				
Recipient's name/position	Paul Howells/ HSE Manager	Date issued	02/06/2017		

## 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
C1 - General Management - Staff competency/training	A	
E1 - Emissions - Air	A	
G1 - Monitoring and Records, Maintenance and Reporting - Monitoring of emissions and environment	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.

<b>Number of breaches recorded</b>	<b>0</b>	<b>Total compliance score</b> (see section 5 for scoring scheme)	<b>0</b>
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**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

### Attendees

Paul Howells - Dragon LNG Ltd

Kerry Watkins - Dragon LNG Ltd

Balachander Veerasamy - Dragon LNG Ltd

Gary Evans - Natural Resources Wales

Nick Jenkins - Natural Resources Wales

### Agenda

1. Operator Monitoring Assessment (OMA) - Air
2. Update on liquefaction project and response to Improvement Condition 9.9
3. OMA - water (discussion of expectations)

#### 1. Operator Monitoring Assessment (OMA) - Air

We have introduced Operator Monitoring Assessment (OMA) to strengthen our assessment of operators' self-monitoring arrangements. OMA applies to the monitoring of emissions to air and discharges to water from industrial processes regulated under the Environmental Permitting Regulations (EPR).

We use OMA to:

- assess operators' self-monitoring (including monitoring undertaken on behalf of operators by contractors) using a consistent and transparent approach
- provide a driver for necessary improvements
- contribute to targeting and prioritising our independent auditing of water and air monitoring.

In April 2015 we undertook an OMA to consider Dragon's discharges to air. The resultant score was 88% which is considered a very good score. Nevertheless we identified areas where Dragon could make improvements and the primary focus for this OMA was to review the recommendations and amend the score where appropriate.

Thirteen OMA references were identified in 2015 where improvements could be made and in 2017 three scores were increased with the remaining ten not showing any decrease. All improvements were made in section 1 of the OMA - Management of monitoring, to include amendments to Dragon's emissions monitoring document DLNG-P-EV-0010 and attendance at MCERTS training schemes for appropriate staff.

There has been an increase in the overall OMA score from 88% to 92% which is very

encouraging.

An overview of the changes are outlined below. An OMA form will be sent separately to the operator.

OMA Ref	Score 2015	Recommendation	Comments	Score 2017
1A	4	Include reviews of SSPs in accordance with Annex D of MCERTS	Section 5.3 of DLNG-P-EV-0010. This has been included. Method statement has been developed. 17/01/17 is the most recent document for the emission on stack A1. There is still a requirement for Dragon to review the SSP with Annex D of Manual stack emission monitoring – Performance standard for organisations.	4
1B	4	Clear reporting of roles and responsibilities are needed under section 5 DLNG-P-EV-0010	This was amended in 12/12/16 to include more detail in section 5 and the inclusion of technical personnel for monitoring issues.	5
1C	4	Maximo system needs to be outlined in DLNG-P-EV-0010	This has been completed and evidence was provided.	5
1D	4	A review of results and compliance to be included as a standing item on agenda at appropriate management meeting	Environmental Management Committee meeting – emissions are discussed. Evidence of quarterly meeting provided April 26 2017 and this includes the EM Review meeting (annual). There is a requirement that this needs to be included in the overarching emission monitoring manual DLNG –P-EV-0010. There is also a need for a communique aspect within the DLNG-POEV-0010.	4
1E	3	<ul style="list-style-type: none"> <li>Attendance at relevant training courses</li> <li>Responsible personnel demonstrate understanding of how process may impact on env.</li> </ul>	Responsible staff have undergone MCERTS training (MCERTS awareness delivered by CSA Group) since 2015 OMA. Attendees including Balachander Versamey; Chris Shanklin, Kerry Watkins; Alex Lloyd; Wesley Tucker. General training is dealt with by a specific department on a matrix of relevant training for responsible personal. Requirement for update to	4

			DLNG-P-EV-0010 to include training requirement and contractor to have technical endorsement.	
OMA 1 Score 2017	22/25			
2A CRITICAL ELEMENT	4	All extractive sampling positions to be assessed against TGN M1 (Amended 2016) and BS EN 13284-1. Any deviations assessed against uncertainty.	Inspection checklist was shown 5 March 2015 which was completed following the OMA. Recommendation is that where there are deviations from M1, the operator will need to specify whether this would have an effect on the uncertainty of the measurement. Dragon as satisfied that there will be no effect on sampling uncertainty but this wasn't clear in the reporting. This can be captured on the check list and/or action tracking register to specify that improvements are not feasible etc.	4
2C CRITICAL ELEMENT	4	Formal review of whether monitoring methods are fit for purpose as TGN M2 (Nov 2015) Reviewed .To be included in DLNG-P-EV-0010	Annual review with M1 – M2 including determinands and monitoring methods. This will need to be reviewed, and inclusion of validity of monitoring method within SSP and referenced in DLNG-P-EV-0010.	4
2G	4	Confirmation that MCERTS contractor can fulfil 24hr service breakdown	Orbital confirmed they do not provide 24hr but 72hr service. Dragon's Technicians are first line response but if there is an issue where they cannot resolve, Orbital will be contacted. Dragon do carry spares and can swap out units if necessary.	4
OMA 2 Score 2017	37/40			
3B	4	5 can only be scored if data-recording software is MCERTS-certified	No change. Dragon to consider whether MCERTS certified software is appropriate to their operation.	4
3F	4	Responsible person for repair/breakdown needs to be trained with associated	See point 2G and 1E above.	4

		records.		
OMA 3 Score 2017	33/35			
4D	4	<ul style="list-style-type: none"> <li>Dragon to carry out audits on its contractors both internal and external on-site audits.</li> <li>Audit test reports and contractors (Annex E)</li> </ul>	<p>Audits are carried out by Kerry Watkins. Section 9 of DLNG-P-EV-0010 has been included which is generic and there is a requirement to be more specific and to reference relevant documents. Reviews can be amended as and when. Official review is due 11/12/18.</p> <p>Recommendation - Greater review of the contractor while onsite to include, equipment, gases etc. Dragon are checking the output from the monitoring regime but not the detail. SSP is the first check, are the contractors doing what they said and are the reports consistent with the SSP?</p>	4
4E	4	Dragon to audit test reports as well as contractors in line with Annex E	See above.	4
4F	4	<p>Provide additional confidence including:</p> <ul style="list-style-type: none"> <li>Physical tampering</li> <li>Archiving</li> <li>Auditing</li> </ul>	<p>SSP is electronically signed by Northumbrian water. The documents are security tagged and the contents cannot therefore be amended. The 5 score will only be awarded for the CEMS data.</p> <p>Recommendation – Dragon to review CEMs data and the chain of custody. Dragon do have controls on the CEMs data – 2 people have access to the Emerson system not including Emerson. This is where the CEMs data is stored. Locked USB ports are installed on computers. Dragon has completed an audit on cybersecurity in line with imminent changes introduced by the HSE.</p>	4
OMA 4 Score 2017	27/30			

## 2. Update on re-liquefaction project and response to Improvement Condition 9.9

8 March 2017, Dragon submitted a formal request to extend the deadline of IC9.9 which states that:

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.

Dragon advised that due to unforeseen delays to the project, the commissioning and operation of the re-liquefaction plant is unlikely to meet the 30 June 2017 deadline. Instead it requested an extension until 31 December 2017. NRW have considered Dragon's request and the efficiency figures provided for the Cogen plant and have granted Dragon's request. This has been formally agreed and confirmation has been sent 26 May 2017.

### 3. OMA - water (discussion of expectations)

It is our intention to undertake an OMA for water at the next opportunity and we provided an indication of what is expected to be covered, including links to the OMA website - <https://www.gov.uk/government/collections/monitoring-emissions-to-air-land-and-water-mcerts>

Dates for the OMA will be collated and agreed.

[END]

## EPR Compliance Assessment Report

**Report ID:  
CAR\_NRW0031599**

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	Date	04/05/2017

### 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.

Other than the provision of advice and guidance, at present we do not intend to take further enforcement action in respect of the non-compliance identified above. This does not preclude us from taking enforcement action if further relevant information comes to light or advice isn't followed.

### 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](mailto: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.