

Compliance Assessment Report

Report ID:
CAR_NRW0031495

This form will report compliance with your permit as determined by an NRW officer

Site	SOUTH HOOK LIQUEFIED NATURAL GAS TERMINAL	Permit Ref	XP3538LD		
Operator/Permit holder	South Hook LNG Terminal Company Ltd.				
Regime	Installations				
Date of assessment	29/03/2017	Time in	09:00	Out	13:00
Assessment type	Audit				
Parts of the permit assessed	See below				
Lead officer's name	Broom, Mark				
Accompanied by					
Recipient's name/position	Dr Shane Evans/ Senior Environment Officer. SHLNG	Date issued	13/04/2017		

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
A1 - Specified by permit	A	
E1 - Emissions - Air	A	
E2 - Emissions - Land and groundwater	A	
G1 - Monitoring and Records, Maintenance and Reporting - Monitoring of emissions and environment	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
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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

Site description

This facility receives liquid natural gas almost exclusively from Qatar and stores it as a liquid in one of 5 insulated fully contained storage tanks before heating it up in up to 15 vapourisers for distribution across the UK but the use of the National Grid gas network. This site can supply up to 25% of the UK demand for gas.

Purpose of visit/assessment

To review progress on environmental matters on site.

Person(s) present (Office based)

SHLNG	Dr Shane Evans	NRW	Mark Broom
	Eamon O'Loughlin		
	Abdullah Al-Ghadid		

MCPD and BAT Conclusions

The medium combustion plant directive (MCPD) relates to combustion plant between 1 and 50 MWth. South Hook LNG has 15 submerged combustion vapourisers (SCV) each at 37MWth so each one would be an MPCD plant. The SCVs burn gas and the exhaust gases are bubbled through water that has a very large heat exchanger to turn LNG to natural gas. There is an exemption in the MCPD for direct heating from the waste gasses from combustion plant e.g. dryers. On that basis, there is no direct heating of the LNG with the exhaust gases so SHLNG cannot claim exemption from the MCPD.

There are SCVs in Dragon LNG but also in the Isle of Grain in Kent and probably elsewhere in England. There need to be consistent across the two (or three) regulators of SCVs.

Turning to the interaction of the MCPD and the LCP BATc's. SHLNG will have capacity of 37 by 15 SCVs – i.e. 555MWth. So the facility is a chapter 2 IED process but not Chapter 3 as the waste gases can not go up through a single stack. Multiple SCVs should come in to the LCP BATc but the SCV technique does not appear to be described. NRW will review how it deals with this issue. One option could be to apply the general BATcs from the LCP BATcs and since there are no SCV specific ones NRW could then apply the tighter of the current ELVs and monitoring requirements vs the MPCD elvs and monitoring requirements.

The last consultation of the MPCD implementation in England and Wales refers to generators. SHLNG have emergency generators and fire water pumps. SHLNG have two diesel generators that are around 3MWth input but they operate (test) for around 20hours/year each. In theory these are in scope for MPCD but as they operate for less than the proposed 50 hours they drop out of MPCD ELVs for NOx. As the MPCD regulations have not been formally published, there is no clarity on the need for monitoring in this instance.

Similarly SHLNG have three fire water pumps that are direct drive from the engine to the pump. These are just over 1MWth in size and are run for around 100hours year for each pump. Based on the current consultation these pumps could be in scope for MPCD but could then drop out based on operating hours for the NOx elvs. Again there is no clarity on the need for monitoring of these pumps assuming that they do fall within the MPCD.

Depending on the regulator discussions, NRW may ask using a formal notice (regulation 60) asking for SHLNG to say how it complies with the general LCP BATcs and existing plant MPCD elvs and monitoring requirements. Once received the permit may be reviewed to ensure that it complies with the BATc requirements by incorporating in the Company's response into the scope of the SHLNG permit.

Site report

SHLNG are required under their permit condition 3.1.3 to carry out periodic monitoring for ground water at least once every 5 years and for soil at least every 10 years. As part of their shareholder agreements they carry out ground water sampling annually to a set program. This sampling is more frequent than the once every 5 years required by condition 3.1.3 that implements the IED baseline report requirements for ground water monitoring.

The soil sampling has not been confirmed. This new monitoring requirement was brought in by the current permit in 2015 so the site has in theory until 2025 to carry out this work. In the mean time SHLNG could review their current baseline report used for the original permit application to see if the risk assessments remain valid and to see how it is aligned to the EU Guidance on baseline monitoring under IED (2014/C 136/03).

The site has now been receiving LNG since 2009. There would be some logic to carrying out a soil monitoring after 10 years of operation.

Annual performance

SHLNG have looked at the main effluent parameters to see if there is a correlation with gas send out. Each parameter was graphed and a correlation calculated against gas send out. The most obvious correlation was with nitrate levels. This is not unexpected as when more gas is being sent out there is more heating and combustion that in turn would lead to NOx and nitrate generation.

The waste production should reduce next year as SHLNG have agreed with Dwr Cymru Welsh Water that the sewage produced within the site that was collected and tankered off site for treatment can now be collected and discharged to a sewer connection within the site boundary - again using a tanker. This change will reduce waste production by 70%.

Out gassing methane has been included in the site pollution inventory return.

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EPR Compliance Assessment Report

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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.