

## Compliance Assessment Report

Report ID:  
CAR\_NRW0026408

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           | 21/09/2016                                   | Time in     | 09:30      | Out | 13:00 |
| Assessment type              | Audit                                        |             |            |     |       |
| Parts of the permit assessed | See report below                             |             |            |     |       |
| Lead officer's name          | Broom, Mark                                  |             |            |     |       |
| Accompanied by               | Lewis, Gareth A.                             |             |            |     |       |
| Recipient's name/position    | Dr Shane Evans/ Senior Enviromental Engineer | Date issued | 16/11/2016 |     |       |

### Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations. 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            |                       |
| C2 - General Management - Management system and operating procedures | A            |                       |
| E2 - Emissions - Land and groundwater                                | 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 main purpose of this intervention was to hand over the regulatory responsibility from Gareth Lewis, who is retiring after 25 years as a regulator, to Mark Broom.

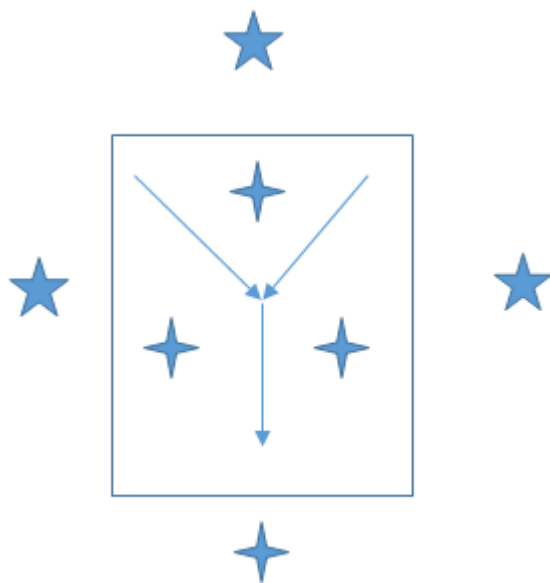
### Operational report

The terminal has now received a total of 536 cargoes of LNG since it first opened in March 2009. It supplies around 20% of the UK gas demand from Pembrokeshire and still uses LNG from Qatar.

### Ground water

SHLNG have submitted a report about the groundwater monitoring against permit condition - 3.1.3. NRW has used their ground water specialists to review this submission. NRW will send the feedback report to SHLNG. Although the report describes the current groundwater conditions it does not use the latest guidance for this type of reporting - see - [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0506\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0506(01)&from=EN). This guidance also covers the reporting of soil data. For this soil sampling SHLNG are looking to have three reference locations up gradient of the facility and four locations split between each ground water area (3) and one combined down gradient.

The diagram below outlines the SHLNG approach with the rectangle being the nominal footprint of the facility and the three arrows showing the ground water flow direction. The five sided stars are the background sample locations and the four sided stars the process related sample locations.



### Reporting

SHLNG have 6 monthly water reporting and annual air release reporting. SHLNG are looking at their discontinuous monitoring and can this be aligned to the Medium combustion plant directive

(MCPD) so that every vapouriser is monitored discontinuously every year. This makes sense as it is like the MCPD monitoring requirements. The water and air results are reporting by the end of January each year followed by the 'Pollution Inventory' returns by the end of February and it makes sense that the commentary on these returns follows after these submissions which should give SHLNG time to collate and comment on the trends etc, the commentary should therefore come by the end of March as an annual return.

### Conservation area

SHLNG have a section 108 planning agreement with the Pembrokeshire National Park for an area to the west of the facility that contains a number of old storage tank bases and bunds that have been taken over by nature. Some of the bunds and bases permanently hold water whereas others are seasonal. The conservation area is the yellow translucent area to the west of the facility.



SHLNG have a grazing agreement with a grazier on 50 acres of conservation area and it is grazed by 6 native welsh ponies. SHLNG are about to extend this initiative to 80 acres and 10 ponies. They have fenced off a further 30 acres towards the fort (but it does not include the fort and its immediate surroundings) to bring more of the conservation area into this style of management. This low level of grazing stops the encroachment of gorse and brambles and allows the area to be kept open for traditional grassland and cliff top plants. The hoof prints also open up the sward for opportunist seeding into the sward. There may be other opportunities within the SHLNG managed land to extend this initiative to the benefit of the local wildlife and environment. The photos below show the ponies, their effect on the grazing area and the regrowth of the grazing.



### Conclusions

SHLNG have played an active role in using low level grazing to enhance the conservation area. They continue to seek ways in which to ensure compliance with their permitted requirements

while minimising their environmental impact.

## EPR Compliance Assessment Report

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|                        |                                              |            |            |
|------------------------|----------------------------------------------|------------|------------|
| Site                   | SOUTH HOOK LIQUEFIED<br>NATURAL GAS TERMINAL | Permit Ref | XP3538LD   |
| Operator/Permit holder | South Hook LNG Terminal<br>Company Ltd.      | Date       | 21/09/2016 |

### 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<br>Ref.    | CCS<br>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 reports should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within twenty 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.