

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

Site	Margam Wood Energy Plant	Permit Ref	ZP3939GL (as amended)
Operator/ Permit holder	PX Ltd		
Date	22 nd March 2018		
What parts of the permit were assessed	See section 2		
Assessment	Audit	EPR Activity:	Installation: X Waste Op: Water Discharge:
Recipient's name/position	Mark Watkins (Plant Manager)		
Officer's name	Neil Herbert	Date issued	28 th March 2018

Section 1 - Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations. A detailed explanation and any action you may need to take are given in the "Detailed Assessment of Compliance" (section 3). 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

Condition(s) breached

Permit Conditions and Compliance Summary	Condition(s) breached
a) Permitted activities	
1. Specified by permit	N
b) Infrastructure	
1. Engineering for prevention & control of pollution	N
2. Closure & decommissioning	N
3. Site drainage engineering (clean & foul)	N
4. Containment of stored materials	N
5. Plant and equipment	N
c) General management	
1. Staff competency/ training	N
2. Management system & operating procedures	N
3. Materials acceptance	3
4. Storage handling, labelling, segregation	N
d) Incident management	
1. Site security	N
2. Accident, emergency & incident planning	N
e) Emissions	
1. Air	N
2. Land & Groundwater	N
3. Surface water	N
4. Sewer	N
5. Waste	3
f) Amenity	
1. Odour	N
2. Noise	N
3. Dust/fibres/particulates	N
4. Pests, birds & scavengers	N
5. Deposits on road	N
g) Monitoring and records, maintenance and reporting	
1. Monitoring of emissions & environment	N
2. Records of activity, site diary, journal & events	3
3. Maintenance records	A
4. Reporting & notification	4
h) Resource efficiency	
1. Efficient use of raw materials	N
2. Energy	N

KEY: C1, C2, C3, C4 = CCS breach category (* suspended scores are marked with an asterisk), A = Assessed or assessed in part (no evidence of non-compliance), N = Not assessed, NA = Not Applicable

Number of breaches recorded	4	Total compliance score (see section 5 for scoring scheme)	12.1
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If the Total No Breaches is greater than zero, then please see Section 3 for details of 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 (e.g. 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 suspended or consolidated scores.
- details of advice given
- any other areas of concern
- all actions requested
- any examples of good practice.
- a reference to photos taken

I initially met with Mark Watkin (PX Ltd) and later Roderic Lerwell (Western Bio Energy Ltd). However due to problems with the plant I curtailed some aspects of the audit (including the site inspection) to allow MW and RL to address these matters. I spent the remaining period with Peter Kitt (Western Bio Energy Fuel Ltd) to inspect some of the site's waste acceptance and removal procedures. During the visit the plant was not operating due to a system malfunction (it returned to normal operation the following day). A scheduled plant maintenance shutdown is scheduled in April. A further shutdown is also planned in summer.

Waste Acceptance

Waste wood – background

- A small proportion of the fuel source is derived from untreated waste wood, the rest is derived from virgin wood.
- The waste wood component of the fuel stock forms around 7% of the current fuel volume, however the operator and the plant owner are presently exploring options to remove the requirement for this waste wood source. If this change is realised, then there may be permitting implications and the operator/owner should keep NRW informed of developments to ensure that any changes can be planned and phased in a timely manner. **Action**

Waste Wood Acceptance Procedures

- The operator and permit holder of this facility is PX limited, however responsibilities for waste acceptance has been contracted to Western Bio Energy Fuels Ltd (WBEF).
- We have previously stated that waste acceptance should be under the direct control of the permit holder and not a third party as PX Ltd are the operator. However if this is not contractually possible then in order to comply with conditions of the permit, PX Ltd will need to ensure that any third party they use complies with their permit requirements (i.e. in this example material acceptance). This would involve robust audits and unannounced audits by PX to verify that the contractor (WBEF) are complying with the permit. They (contractor/s) will also need to comply with the requirements of the EPR permit. Any records (covered by the EPR permit requirements) that are made by the contractor need to be provided to PX Ltd and available for inspection at the site. Essentially the responsibility for permit compliance lies with the operator and they must ensure that all staff (including contractors or any third party) comply with the requirements of their site's EPR permit.
- During this visit MW confirmed that the PX Ltd's do not have their own waste acceptance procedures but rely on those provided by WBEF. In which case PX Ltd EMS system must clearly specify this and signpost the key documents covering the relevant WBEF waste acceptance procedures for the site. **Action**
- We were provided with copies of some of WBEFs procedures and we have reviewed some of them on our return to the office. Comments are set out below:
 - Waste producer audits. These are undertaken infrequently by the operator (or their contractor) and there is no system to periodically verify the systems in place to ensure that the waste being sent to the plant is untreated waste wood (i.e. contaminated (or potentially hazardous). There are no records available at the facility to demonstrate that the waste producer records have been checked to ensure that they have undertaken appropriate waste characterisation therefore it is unclear how PX can be certain that the waste can be classified as untreated waste wood. Note: Non visible wood treatments such as sap-stains, fungicides and preservatives and visible treatments such as creosote, paint, varnish, resins, glues and oils, may be applied to wood before and during its use. In order for the waste producer to assign the correct LoW (EWC) code to waste wood there is an absolute legal requirement to assess it as either hazardous or non-hazardous. In accordance with WM3 (Waste Classification Technical Guidance) an assessment must be carried out to determine the chemical composition of the waste. If the producer fails to undertake this assessment, the waste defaults to hazardous.

The law allows no flexibility on this requirement. For visibly clean waste wood which cannot be traced back to the saw mill or arboriculture sector, only sampling and analysis can determine if invisible treatments have been used. Assigning the correct LoW (EWC) code and adequately describing the waste is essential as it determines the treatments and whether it can be accepted at the facility. Therefore, it is critical that the waste producers waste characterisation records are checked and audited periodically. They should also be available for inspection.

- The operator's contractor (WBEF) does undertake their own sampling of waste delivered to site, however it remains unclear what parameters are checked and what thresholds are used. Note: the samples are composite samples of every load over a four-week period from all the suppliers, therefore the results would be of little use to verify waste classification (i.e. whether non- hazardous or hazardous).
- **Action:** Operator need to ensure that a system of periodic waste producer audits is developed and undertaken to a specified frequency (and records maintained on site). Each waste producer should also be inspected prior to being allowed to send waste to the facility to ensure that all systems, infrastructure etc. are in place to ensure only untreated waste wood is sent to the facility. These requirements need to be set out in the PX Ltd EMS system.
- Some of the procedures we inspected refer to a contamination de-minimis (e.g. 1½ to 2%) for visible contaminants. This need to be removed (see previous reports) as there is no acceptable de-minimis. If the wood is visually contaminated, then it cannot be accepted. **Action:** remove all reference to the contamination de-minimis from the site's procedures.
- When referencing List of Waste (LoW) codes (also known as EWC codes) in your procedures¹, the full chapter headings and subtitles must be used e.g.

15	Waste packaging, absorbents, wiping cloths, filter materials and protective clothing not otherwise specified 15 01 packaging (including separately collected municipal packaging waste)
15 01	packaging (including separately collected municipal packaging waste)
15 01 03	wooden packaging

- The site accepts untreated waste wood from recycling several permitted / exempt facilities. This wood may be mechanically treated prior to delivery. The permitted waste type specified within Table S3.2 of the permit does not include any 'Chapter 19' codes authorising the acceptance of such wastes. Therefore, in order to continue to accept this material the operator needs to apply to vary their permit to include this waste type. **Action**
- As part of this review we also asked to see the waste characterisation documents pertaining to the waste producers delivering waste wood to the facility. The only records available are the duty of care and weighbridge records. A random supplier was selected, and we have reviewed the document² and make the following observations:
 - The name of the waste producer does not correspond to the permit number identified on the DoC form. The waste producer must give the correct name of the legal entity generating the waste on their DoC notes. This should have been spotted when the operator undertook the initial (and subsequent) supplier checks.

Action: operator to cross check all their waste suppliers permits to ensure that details on their DoC records correspond to the permit (i.e. correct legal entity). If not the waste must be rejected.

- whilst the correct EWC code has been entered by the waste producer, the site is not permitted to accept this code (19 12 07) – see earlier comment
- the waste description needs expanding e.g. untreated waste wood
- the waste carrier's registration number appears to have expired
- the full (legal) name of the waste carrier is not specified on the document.
- the SIC code is not specified.

¹ Note: there is similar deficiency in the permit and this has been highlighted previously and will be rectified as part of the next permit variation.

² DoC note to accompany weighbridge ticket 6842.

- the waste recipient is PX Ltd who hold the permit (EPR/ZP3939GL), however their name has not been listed on the DoC note. The weighbridge receipts provided to the waste carrier indicate that the recipient is Western BioEnergy Ltd and that the permit is in their name. This is inaccurate and may be contrary to the DoC regulations.
- there is a minor typographical error on the DoC note in that the permit number listed has an extra letter.

Action: whilst some of the deficiencies noted above are for the waste producer to address, they should have still been identified by the operator had there been a robust waste acceptance checking system present at the site. Of more concern is the continuing practice of failing to identify the correct name of the waste recipient (i.e. PX Ltd) and using their permit number against other companies. This practice must cease with immediate effect.

Compliance: There are a number failures (in addition to DoC failures), noted above including poor waste acceptance & verification procedures, inaccurate or missing records and they are considered breaches of condition 1.1.1 and 1.1.2. A ccs score of 3 has been allocated against the breaches. (c3 & g2 compliance headings)

Waste Output – Bottom and Fly Ash

- An in-depth review of procedures (e.g. waste characterisation and assessment) was not possible on this occasion as key staff were unavailable, however we did have sight of a sample of the paperwork pertaining to bottom ash and fly ash disposals. Comments below.

Fly Ash – Duty of Care record³:

- The name of the waste producer is incorrect, and the permit referenced in the DoC note has not been issued to Western Bioenergy Ltd. The waste producer is PX Ltd who also hold the permit referenced in the document.
- The waste recipient's name is incorrect. The permit is issued to GD Environmental Services Ltd not GD Environmental Ltd. The legal entity's correct name must be used as a number of companies can operate from the same site and the chain of custody for the waste must be unambiguous.
- The LoW (EWC) listed on the DoC note is incorrect. As the site is presently permitted as chapter 5 activity the correct LoW code is 19 01 14⁴ not 10 01 03.
- There should also be a description of the nature of the waste e.g. fine powder etc. This is particularly relevant in this case as the waste facility accepting the waste has a permit that excludes certain waste forms e.g. waste consisting solely or mainly of dusts, powders or loose fibres and wastes that are in a form which is either sludge or liquid are prohibited from this site.
- The waste carriers details are incomplete (i.e. full company name of the registered waste carrier must be provided).
- The registered carriers number stated has expired.
- The time of transfer to the disposal site is recorded as 8:00am. This is incorrect as the load did not leave Margam until 8:00am and it's at least a 50 min journey to Newport.
- Whilst the DoC note description contains a statement confirming that someone has fulfilled their duty to apply the waste hierarchy (as required by Waste (England and Wales) Regulations 2011) it is not clear which entity has signed this statement. In this case it is the comp[any describing the waste (waste producer) who needs to provide this statement and this must be clearer.
- The waste weighbridge ticket generated on dispatch of the waste indicates that it is Western Bioenergy Ltd who have generated the waste and this is not correct. The "time in" and "time out" appear incorrect.
- The waste carrier also provide a copy of their own DoC note this also has errors including: again the wrong waste producer name is listed; the wrong LoW (EWC) code is listed; the time on site does not correspond to the

³ DoC note to accompany weighbridge ticket 81242

⁴

19 WASTES FROM WASTE MANAGEMENT FACILITIES, OFF-SITE WASTE WATER TREATMENT PLANTS AND THE PREPARATION OF WATER INTENDED FOR HUMAN CONSUMPTION AND WATER FOR INDUSTRIAL USE

- *19 01 wastes from incineration or pyrolysis of waste*
 - *19 01 14 fly ash other than those mentioned in 19 01 13*

weighbridge ticket; there should be a description of the waste form e.g. dust etc. The waste receiver and waste carrier details do not correspond to the permits referenced in the DoC (i.e. the permit/registration number are issued to GD Environmental Services Ltd not GD Environmental Ltd).

Bottom Ash – Duty of Care record⁵:

- A number of the defects listed above relating to the producer's DoC note and weighbridge ticket apply equally here e.g. waste producer's name etc.
- The waste recipient's name is incorrect. The permit is issued to Green Circle Sustainable Developments Ltd not Green Circle.
- The LoW (EWC) listed on the DoC note is incorrect. As the site is presently permitted as chapter 5 activity the correct LoW code is 19 01 12⁶ not 10 01 01.
- There should also be a description of the nature of the waste e.g. fine powder etc. This is particularly relevant in this case as the waste facility accepting the waste has a permit that excludes certain waste forms e.g. waste consisting solely or mainly of dusts, powders or loose fibres and wastes that are in a form which is either sludge or liquid are prohibited from this site.
- The waste carriers details are contradictory. The carrier's DoC note identifies the carrier as Glen Harry (Haulage) Ltd. However the DoC note produced by the operator of this facility identifies the carrier as Green Circle. Again the correct and full company name of the registered waste carrier must be provided.
- The registered carriers number stated has expired
- The waste carrier's DoC note also has errors including: the wrong waste producer name is listed; the wrong LoW (EWC) code is listed; there should be a description of the waste form e.g. dust etc. The waste receiver's name listed on the note is incomplete

Action: In light of the above there needs to be a comprehensive review of practices and procedures to ensure:

- DoC transfer notes are completed correctly using the correct codes;
- Carrier certificates and permits are properly checked as part of PX Ltd procedures.

Compliance: Again some of the procedural and documentation failures noted for ash removal, as noted above, are considered a breach of condition 1.1.1. A CCS score of 3 has been attributed to this breach, against the e5 compliance heading.

Annual Reporting

Annual Report – Condition 4.2.2 a

- The annual interpretation report has not been submitted to the deadline specified. **Action:** This will now need to be submitted by the 23rd June 2018.
- The report should include a statement to assess the CO, NOx and PM results from the CEMS, against the reference period set out in the permit (i.e. whether 95% of the validated hourly averages over the 2017 exceeded 200% of each respective ELV).

Performance Reporting – 4.2.2b & c (Table S5.2 & S5.3)

- The information required by this condition has not been submitted to the deadline specified. **Action:** This will now need to be submitted by the 23rd April 2018.

Compliance: The failure to submit these reports in accordance with the reporting deadlines is not in accordance with condition 4.2.2 of the permit. CCS score of 4 has been attributed to this breach against the g4 compliance heading.

End of section 2

⁵ DoC note to accompany weighbridge ticket 81112

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19 WASTES FROM WASTE MANAGEMENT FACILITIES, OFF-SITE WASTE WATER TREATMENT PLANTS AND THE PREPARATION OF WATER INTENDED FOR HUMAN CONSUMPTION AND WATER FOR INDUSTRIAL USE

- 19 01 wastes from incineration or pyrolysis of waste
 - 19 01 14 bottom ash and slag other than those mentioned in 19 01 11

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

Site	Margam Wood Energy Plant	Permit	ZP3939GL (as amended)
Operator/ Permit	PX Ltd	Date	22 nd March 2018

Section 3- Enforcement Response Only one of the boxes below should be ticked

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.	
In respect of the above non-compliance you have been issued with a warning. At present we do not intend to take further enforcement action. This does not preclude us from taking additional enforcement action if further relevant information comes to light or offences continue.	
We will now consider what enforcement action is appropriate and notify you, referencing this form.	x

Section 4- Action(s)

Where a non - compliance has been detected and an enforcement response has been selected above, this section summarises the steps you need to take to return to compliance and also provides timescales for this to be done.

Criteria Ref.	CCS Category	Action Required/Advised	Due Date
See Section 1 above			
c3/g2	3	Undertake a review of the facilities Waste Acceptance and verification procedures to take into account the findings/actions of this report (see section 2) and with reference to relevant waste acceptance guidance.	Within 2 months of the issue of this report
		Ensure all DoC notes received onsite are accurate, specifically the correct operator name and waste codes.	immediate
		Remove waste wood contamination de-minimis from all site procedures and re-issue accordingly.	Within 1 month of the issue of this report.
e5	3	Improve waste dispatch & verification procedures to address the issues identified in this report (see section 2)	Within 2 months of the issue of this report
		Ensure all DoC notes generated by the operator for waste dispatched from the site are accurate and correct e.g. correct operator name and waste codes.	immediate
g4	4	Submit 2017 (& 2016) annual monitoring report in accordance with the requirements of condition 4.2.2a	23 rd June 2018
		Submit information required by Table S5.2. & S5.3	23 rd April 2018

Whilst no further breaches have been scored the following actions need to be completed in order to ensure future compliance at the facility.

		Operator to keep NRW informed of progress with proposal to consider the removal of the waste wood stream as a raw material at the site	No deadline set
		Operator need to apply to vary the permit to allow the acceptance of relevant chapter 19 waste or cease accepting this waste.	Within six months of the issue of this report , unless otherwise agreed with NRW.

Please contact NRW if you believe you will be unable to meet any of the deadlines specified (in advance of the deadline).

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 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 which 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 Natural Resources Wales (NRW) to fulfill its regulatory and monitoring functions and to maintain the relevant public register(s). 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 (e.g. 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 and taking any resulting action
- preventing breaches of environmental law
- assessing customer service satisfaction and improving its service
- Freedom of Information Act/Environmental Information Regulations request.

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

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 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 the officer's line managers. 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) 601 0987**.