

Compliance Assessment Report CAR_NRW0041725

Permit being assessed: BB3097ZS.

For: PB Gelatins, held by Veolia Energy & Utility Services UK PLC

At: P B Gelatins, Unit A6, Severn Road, Treforest Industrial Estate, Pontypridd, Rhondda Cynon Taf, CF37 5SQ.

Type of assessment carried out: Report/Data Review, Reason: Routine.

On 27/04/2023.

Parts of permit assessed: Annual Performance

NRW Lead Officer: Dale Padfield.

Report sent to: Andrew Brown, IWE Manger on 05/05/2023.

1. Summary of our findings (full details in section 4)

Part of permitted activity assessed (criteria)	Assessment result	Permit condition
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	C4 No impact	4.2.2
G1 - Monitoring and Records, Maintenance and Reporting - Monitoring of emissions and environment	C3 Minor	3.5.1
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	C4 No impact	4.3.1(b)
B5 - Infrastructure - Plant and equipment	C3 Minor	4.2.3
C2 - General Management - Management system and operating procedures	C3 Minor	1.1
H2 - Resource Efficiency - Energy efficiency	Action only (X)	
H1 - Resource Efficiency - Efficient use of raw materials	Assessed (A)	

Result types are explained in more detail in the 'Important Information' section below.

Total number of non-compliances recorded	Total non-compliance score
5	12.2

How we use the non-compliance score to calculate your annual fee is explained in the 'Important Information' section below.

2. What action is required?

Criteria	Action needed	Complete by
G4	Please ensure reporting deadlines are adhered to.	Already completed
G1	Ensure emissions monitoring is conducted to the frequency	Already

Criteria	Action needed	Complete by
	specified within the permit. Please provide a copy of the emissions report once available.	completed
G4	Ensure notification procedures reflect the requirements of the permit.	Already completed
B5	Please provide NRW with updates regarding the developments and progress made with the implementation of steam production metering as and when these become available.	Already completed
C2	Veolia to review their current management of change procedure to ensure future compliance obligations are not impacted by changes in operational personnel. Please provide NRW with a copy of the MOC procedure once the review is complete.	30/06/2023
H2	Veolia to conduct an energy efficiency review to assess whether there are suitable opportunities available to improve the energy efficiency of the activities and to take further appropriate measures identified by the review. Please provide NRW with a copy of the review, along with any plan detailing the implementation of any appropriate measures identified.	30/06/2023

Action criteria codes are listed in the 'Important information' section below.

3. What will happen next?

Any non-compliance we have identified and recorded on this form is an offence. It can result in criminal prosecution and/or suspension or revocation of your permit.

At this time, we do not intend to take any further action.

This statement does not stop us from taking additional enforcement action if further relevant information comes to light or offences continue.

4. Details of our assessment

Veolia Energy & Utility Services UK PLC

EPR/BB3097ZS

This compliance assessment report (CAR) details the responses received for the actions issued in CAR_NRW004160, whereby Veolia were requested to investigate conflicting and inconsistent information within their annual performance report for the 2022 period.

Natural Resources Wales (NRW) received Veolia's amended report along with responses to the actions on the 21st of April 2023. As indicated within the aforementioned CAR, the deadline for annual performance reports is the 31st of January each year. The first reports were submitted beyond this deadline, as such, the following minor non-compliance will be issued.

Non-compliance: A category 4 minor non-compliance is given for failure to submit the annual performance reports to NRW within the specified deadline. Permit condition 4.2.2. **It is an offence under Regulation 38(2) of the Environmental Permitting Regulations (consolidated 2016) to breach a permit condition or emission**

limit. Non-compliance score CCS4.

Actions issued in CAR NRW0041610

The actions issued in the above CAR form are listed below for ease of reference.

Action 1 – Veolia – 27/03/2023. Provide more detail of the failure of the steam meter for boiler no.1, why did the repair conducted on the 08th of February 2022 fail in such a short timeframe? Explain why this steam meter has not undergone subsequent repair, having failed in early 2022, this meter has now presumably been unfunctional for almost an additional year. Due 7th of April 2023.

Action 2 – Veolia – 27/03/2023. Provide an update on the comprehensive package of metering upgrades, as mentioned in Veolia's response to action in CAR_NRW0039236. Due 7th of April 2023.

Action 3 – Veolia – 27/03/2023 – Explain why a false statement was submitted suggesting the emissions monitoring had been conducted in accordance with the permit, when no such monitoring had taken place. Explain why no notification of this permit breach was sent to NRW. Due 7th of April 2023.

Action 4 – Veolia – 27/03/2023. Provide an explanation for the similarities in reported gasoil consumption figures for 2021 and 2022. Due 7th of April 2023.

Action 5 – Veolia – 27/03/2023. Please explain the inconsistencies in the water usage reporting and why figures for the 'hotwell' are unchanged from 2021. Please explain why the water meter failure identified in 2021 has not been repaired. Due 7th of April 2023.

Action 6 – Veolia – 24/03/2023. Veolia to review their 2022 annual performance reports and amend all inconstant figures, ensuring reports are accurate and reflect the performance of the installation during 2022. Due 14th of April 2023.

Review of Veolia's response to the above actions

Action 1 & Action 2 – Veolia have stated that following remedial works on the steam meters that took place on the 8th of February 2022 issues with the meters had persisted, this had resulted in repeat visits by the service contractor between February and June of 2022 to establish the cause of the failings. Issues with the transducer had been identified on boiler one but no progress has been made with boiler three. As such, although the steam meters are functional, they are not providing accurate or reliable data. This has resulted in the unavailability of data for reporting or evaluating boiler performance.

Veolia had proposed a comprehensive metering package to their client in May 2022, this would have included metering for each point of supply and delivery to and from the boiler house encompassing gas, steam, water and condensate at individual points and overarching meters on common supply pipework. Data would be collected on a half-hourly basis by an energy management platform.

However, there had been concerns with the client with regards to the cost of implementing the proposed metering package. Veolia have been in ongoing discussions with the client to establish a resolution, however, the matter has remained unresolved.

Veolia have acknowledged their legal obligations as the operator of the boilers, and the requirement of their permit to ensure steam production data is accurately measured and captured. NRW appreciate that the

situation is complicated, with the steam metering falling outside the remit of Veolia's operations and that co-operation is required by both parties to resolve the issue and restore compliance.

NRW are pleased to hear that Veolia have taken the initiative and will commence implementation of steam production metering at their expense and NRW hope that Veolia and the client can resolve their concerns during the planned formal review in June 2023. Veolia have given estimation of 12 to 16 weeks for completion of the project; however, this will be dependant on contractor and parts availability. In the interim, Veolia intends to undertake weekly combustion monitoring to provide reassurance to NRW of the ongoing minimised environmental risk. NRW welcomes the proposals made by Veolia and are satisfied that the issues surrounding the production metering are being addressed.

Actions 1 and 2 are considered complete, however, please keep NRW informed with any developments and progress made regarding this matter.

Action 3 – Veolia have stated that following a change in management at the installation, there was a lack of understanding by the site team with regards to the applicability of monitoring data, and the compliance requirements of NRW. Veolia have stated that the deviation in compliance was not intentional or malicious statement of fact, but a misunderstanding by the local team coupled with a duplication of data from a previous report. Veolia have initiated remedial actions including training and support to prevent recurrence.

Action 3 is considered complete, NRW accepts Veolia's response and is pleased to hear that remedial action is being undertaken. As the regulator, it is within NRW's remit to provide advice and guidance with the aim of supporting operators with permit compliance, helping achieve better environmental outcomes. As such, please advise if during the next site visit you would like a discussion on the permit requirements and what we as the regulator expect from the operator. There are also guidance documents available to help operators achieve and maintain permit compliance, most are available on our website, links and documents can be provided if requested.

Actions 4, 5 & 6 – Veolia have stated that the majority of the inconsistencies were a result of duplication of data, whereby the information from the 2021 annual report had not been changed and updated to the 2022 data. This explanation is accepted and explains the similarities highlighted between the 2021 and 2022 performance reports. As previously stated, Veolia identified that this had resulted due to a lack of understanding by the site team, which is now being address with training and support for the operators. The 2022 annual performance report has been reviewed and amended, which Veolia now believes accurately reflects the operations during 2022, NRW's review of the amended report can be seen below.

Actions 4, 5 & 6 are considered complete.

Review of amended annual performance report.

Emissions monitoring

Veolia had failed to conduct the annual emissions monitoring as detailed in schedule 3 of the permit. No point source emissions monitoring was undertaken for the 2022 period and no notification of this breach was communicated to NRW. Veolia have arranged for this monitoring to be conducted on the week commencing

24th of April 2023, with the data from this campaign used as a late submission for the 2022 period. Although there are currently no emission limit values (ELV's) on the parameters required to be monitored, annual monitoring provides re-assurance that the emissions are within an expected range and within the range used for the air emissions risk assessment submitted during permit application. The monitoring provides confidence that the boilers are operating as expected and are not having a significant negative environmental impact. A minor non-compliance will be issued for this permit breach.

Non-compliance: A category 3 minor non-compliance is given for failing to conduct the point sources emissions to air monitoring to the frequency specified within the permit. Permit condition 3.5.1. **It is an offence under Regulation 38(2) of the Environmental Permitting Regulations (consolidated 2016) to breach a permit condition or emission limit. Non-compliance score CCS3.**

Veolia have stated that further to this, a monitoring campaign will be undertaken in December 2023 to satisfy the requirements of the 2023 reporting period.

Steam production

Due to multiple failures on Veolia's clients steam meters, as highlighted in the response to action 1 and 2 above, Veolia have been unable to report steam generation data and are unable to report the gross thermal efficiency of the plant. It is appreciated that Veolia have had difficulties in negotiating a resolution to this matter with their client. However, it is a requirement of Veolia's permit to ensure this performance data is captured. Steam production is one of the primary functions of the installation, as such, it's not only crucial to capture this data for permit reporting requirements but also for trending plant efficiency. Evaluating plant efficiency allows for issues or improvement opportunities to be recognised, resulting in improved environmental performance. Veolia have failed to accurately record steam production data since 2021, as such the following minor non-compliance will be issued.

Non-compliance: A category 3 minor non-compliance is given for failing to accurately record annual steam production data. Permit condition 4.2.3. **It is an offence under Regulation 38(2) of the Environmental Permitting Regulations (consolidated 2016) to breach a permit condition or emission limit. Non-compliance score CCS3.**

Plant Performance

In the absence of steam production data Veolia have evaluated plant performance based on gas and feedwater quantities utilised by the plant. Gas and feedwater quantities show an overall decrease on the previous two years but appear relatively consistent with the figures reported for both 2018 and 2019, likely a result of production and demand of the client site. When the figures for the ratio of m³ of gas per m³ of feed water utilised are compared there is an apparent decrease in plant efficiency. There was an increase of 3.39 m³ of gas utilised per m³ of feed water when compared to 2021 figures. Veolia believe this decrease in efficiency is a result of increased reliance on boiler number 2 during periods of maintenance on the other site boilers. Boiler number 2 is the only boiler not fitted with a flue gas economiser, making it the least efficient boiler of the three. When the figures for the feedwater utilised by each individual boiler are compared the increased use of boiler number 2 becomes apparent, with a total of 16,301 m³ of feedwater utilised in 2022 compared to only 1,902 m³ in 2021.

Are there any improvements planned for boiler number 2, to bring its efficiency in line with the other site

boilers? Under section 1.2 'Energy efficiency' within the permit, there is the requirement to review and record at least every four years whether there are suitable opportunities to improve the energy efficiency of the activities and to take appropriate measures identified by the review. As the permit was issued in 2019, an energy efficiency review is required to be conducted this year, unless this has already been completed.

Action 1 - Veolia 05th of May 2023: Veolia to conduct an energy efficiency review to assess whether there are suitable opportunities available to improve the energy efficiency of the activities and to take further appropriate measures identified by the review. Please provide NRW with a copy of the review, along with any plan detailing the implementation of any appropriate measures identified by the review. Due 30th of June 2023.

Water Usage

Veolia are unable to determine the exact raw water usage due to the mechanism in which the client supplies the water to Veolia, which is a mix of softened water along with returned condensate. The water meter had suffered a failure on the 9th of January 2022 but was promptly repaired by the 15th of January 2022. This meter has recorded a total volume of 95,928m³ for 2022, Veolia also utilise two additional supplies for emergency filling of the hotwell when the client is unable to provide sufficient supply, these have recorded volumes of 528m³ and 753m³. Overall, there has been a decreases of water usage when compared to previous years, however Veolia do note that there is no metering capability on the mobile trailer boiler that was utilised during the maintenance works conducted on the main plant.

Energy Usage

Veolia have reported a consumption of 71,611MWh of natural gas and additional 1,515MWh of class A2 gasoil, giving a total energy consumption of 73,126MWh for the 2022 period. This is slight reduction on the previous year total of a 76,790MWh.

Within the permit, under section 4.3 'Notifications' is the requirement to notify NRW in the event of a breach of any permit condition. No notification was received by NRW for any of the aforementioned permit breaches, specifically, the failure to conduct the stationary source emissions monitoring and the issues surrounding steam production metering. Therefore, the following minor non-compliance will be issued.

Non-compliance: A category 4 minor non-compliance is given for failing to notify NRW of the aforementioned permit condition breaches. Permit condition 4.3.1(b). **It is an offence under Regulation 38(2) of the Environmental Permitting Regulations (consolidated 2016) to breach a permit condition or emission limit. Non-compliance score CCS4.**

When a permit breach occurs, NRW will investigate to establish the root cause, identifying the root cause is a key step in successfully restoring compliance, as non-compliances are often symptom of an underlying issue with the environmental management system. As indicated by Veolia's own investigation, the root cause of the issues identified within the previous CAR form and the subsequent non-compliances raised within this CAR form, are likely due to a management change at the installation. As a result of this change the site team were unaware of the permit requirements which has led to several non-compliances. It is understood that

Veolia are implementing training for the site team, to ensure they are fully aware of the legal obligations surrounding compliance with the permit and NRW welcomes this improvement. However, Veolia should have a robust management of change (MOC) procedure in place to ensure permit compliance is not impacted when there are changes in operational staff. The root cause is seen as a general management system failure, as such the following non-compliance will be issued.

Non-compliance: A category 3 minor non-compliance is given for management system failing to implement the requirements of the permit using sufficient competent persons and resources. Permit condition 1.1. **It is an offence under Regulation 38(2) of the Environmental Permitting Regulations (consolidated 2016) to breach a permit condition or emission limit. Non-compliance score CCS3.**

Action 2 - Veolia 05th of May 2023: Veolia to review their current management of change procedure to ensure future compliance obligations are not impacted by changes in operational personnel. Please provide NRW with a copy of the MOC procedure once the review is complete. **Due 30th of June 2023.**

END.

If you have any queries about this report, or to discuss completion of any actions, please contact the NRW Officer named above.

Important information

Legal status of this report

Your permit is issued to you under the Environmental Permitting Regulations. You have a responsibility to comply with the conditions of your permit and prevent pollution/harm of the environment. You must also ensure that you comply with any other relevant legislation that may apply to your site's operations.

This report explains the findings of our assessment and any action you are required to take. We categorise non-compliance using our guidance for assessing non-compliance at regulated sites.

When we find potential non-compliance/s we will normally give you advice on how to maintain compliance.

To correct non-compliance, we may:

- require you to take specific actions
- issue a notice
- review the conditions of your permit.

Any advice and guidance we give will be without prejudice to any other enforcement response that we consider may be required.

Assessment results and non-compliance categories (used in section 1):

Assessment result	Description
Assessed (A)	Assessed or assessed in part, no evidence of non-compliance found
Action only (X)	Action only relating to the activity assessment
Ongoing (O)	Ongoing non-compliance, not scored

Non-compliance category	Description	Score
C1 Major	Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property	60
C2 Significant	Potential to have a significant impact or effect on the environment, people and/or property	31
C3 Minor	Potential to have a minor or minimal impact or effect on the environment, people and/or property	4
C4 No environmental impact	Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property	0.1

How we use assessment scores

The number and severity of non-compliances recorded in a year will affect your annual subsistence fee the following year. A non-compliance factor is added to your site's Operator

Performance Risk Appraisal (OPRA) score when we calculate your fee to reflect the additional resource we use to assess permit compliance.

What are suspended scores?

In line with our guidance, we may suspend scores for up to six months to allow time for remedial action to be taken. Suspended scores will be re-instated if the action is not completed.

Full list of Industry and Waste action criteria (used in section 1 and 2):

A: Permitted activities

- A1 Specified by permit

B: Infrastructure

- B1 Infrastructure – Engineering for prevention and control of emissions
- B2 Infrastructure – Closure and decommissioning
- B3 Infrastructure – Site drainage engineering (clean and foul)
- B4 Infrastructure – Containment of stored materials
- B5 Infrastructure – Plant and equipment

C: General management

- C1 General management – Staff competency/training
- C2 General management – Management system and operating procedures
- C3 General management – Materials acceptance
- C4 General management – Storage, handling, labelling and segregation

D: Incident management

- D1 Incident management – Site security
- D2 Incident management – Accidents, emergency and incident planning

E: Emissions

- E1 Emissions – Air
- E2 Emissions – Land and groundwater
- E3 Emissions – Surface water
- E4 Emissions – Sewer
- E5 Emissions – Waste

F: Amenity

- F1 Amenity – Odour
- F2 Amenity – Noise
- F3 Amenity – Dust/fibres/particulates and litter
- F4 Amenity – Pests/birds and scavengers
- F5 Amenity – Deposits on road

G: Monitoring and records, maintenance and reporting

- G1 Monitoring and records, maintenance and reporting – Monitoring of emissions and environment
- G2 Monitoring and records, maintenance and reporting – Records of activity, site diary/journal/events
- G3 Monitoring and records, maintenance and reporting – Maintenance records
- G4 Monitoring and records, maintenance and reporting – Reporting and notification to Natural Resources Wales

H: Resources efficiency

- H1 Resource efficiency – Efficient use of raw materials
- H2 Resource efficiency – Energy efficiency

Enforcement response

Any permit condition non-compliance is an offence and we may take legal action against you. Action we take can include prosecution, serving a notice on you and/or suspension or revocation of your permit. See our Enforcement and Sanctions Guidance for further information.

Data protection notice

You should make sure that anyone named in this report knows that the information it contains will be processed by Natural Resources Wales to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s).

We may also use and/or disclose the report in connection with:

- offering or providing you with our literature or 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
- assessing customer service satisfaction and improving our service
- Freedom of Information Act or Environmental Information Regulations requests.

We may also pass it on to our agents or representatives to do these things on our behalf.

Disclosure of information – this report will be available to view on-line

If you think this report contains commercially confidential information that should not be placed on our public register, you must contact your local Natural Resources Wales office within **fifteen working days** of receiving this report, using the contact details in the accompanying email or letter. You must give a full explanation of why it should not be added to our public register, including specifying which information is commercially confidential. We will assess your request and respond to you within 20 working days to let you know if we agree to your request.

What do I do if I disagree with the report or have a complaint?

If you disagree with this compliance assessment report, you should contact the lead officer without delay to discuss your concerns.

If you are unable to resolve the issue with the lead officer or their line manager you should contact our Customer Contact team on 0300 065 3000 (Monday to Friday 08:00 – 18:00), or email enquiries@naturalresourceswales.gov.uk for details of how to raise your dispute further through our Complaints and Commendations procedure.

If you are dissatisfied with our response, you can contact the Public Services Ombudsman for Wales by phone on 0300 7900203 or by email at ask@ombudsman.wales

Welsh Language Standards

We are committed to establishing Natural Resources Wales as a naturally bilingual organisation. We will provide compliance reports in your preferred language.