

Compliance Assessment Report CAR_NRW0042185

Permit being assessed: BK1341IN.

For: Milford Haven Tank Storage , **held by:** Valero Pembrokeshire Oil Terminal Limited

At: Main Road, Waterston, MILFORD HAVEN, MILFORD HAVEN, Pembrokeshire, SA73 1DR.

Type of assessment: Site Inspection,

Reason: Routine.

On: 16/06/2023 between 10:00 and 15:00.

Parts of permit assessed: Please see details.

NRW Lead Officer: Michael Launder, accompanied by Gary Evans.

Report sent to: Huw Morgan, HES Supervisor, on 18/08/2023.

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

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR2B - Operations - The site	Assessed (A)	
IR2E - Operations - Improvement programme	Assessed (A)	
IR1A - Management - General management	Assessed (A)	
IR3B - Emissions and monitoring - Emissions of substances not controlled by emission limits	Action only (X)	

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

Total non-compliances recorded	Total non-compliance score
0	0

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
IR3B	Operator to share final report on repairs to the East Catch Basin liner with NRW South West Industry Regulation Team.	Already completed

Compliance 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

Attendees

- Huw Morgan - HES Supervisor, Valero
- Ian McSherry - HES Manager, Valero
- Danielle Price Williams - Associate HES Specialist, Valero
- Gary Evans - Senior Specialist Industry Regulation, Natural Resources Wales
- Michael Launder - Senior Industry Regulation Officer, Natural Resources Wales

Introduction

This Compliance Assessment Report was completed following a site visit by Michael Launder and Gary Evans on 16 June 2023. The aim of the visit was site and process familiarisation for the new lead officer for the site, and specifically to inspect the East Catchment Basins following repairs to the reservoir lining.

Site History and Current Operations

The HES Supervisor provided an overview of the history of the site, current operations and processes

East Catch Basin Repairs

As documented in CAR_NRW0040611 and CAR_NRW004246, in response to a defect in the East Catch Basin clay liner, a bypass channel was in operation during Q3 and Q4 of 2022. On 6 October 2022, the site API Interceptor had become inundated with surface water, sending untreated water with free phase oil to the East Catch Basin Bypass Channel. The absence of an underflow weir in the bypass channel, as is present in the East Catch Basin, allowed the residual oil from the interceptor to reach the permitted discharge point and outfall diffuser. This was reported to NRW at the time and our response is documented in CAR_NRW0040611.

During the site visit, the East Basin was visited and observed to be back in use. The HES Supervisor pointed out where the issue had arisen due to inadequate backfilling and reinstatement of a trial pit. This created a preferential flow path through the liner, requiring the repairs and use of the bypass channel during the period of repair.

A Reservoir Incident Final Report as required by Section 21B of the Reservoirs Act has been submitted to the Reservoir Safety Team in NRW, detailing the cause of the issue and remedial actions taken.

Action: Operator to share final report on repairs to the East Catch Basin liner with NRW South West Industry Regulation Team. **Action completed 28 June 2023**

Issues relevant to the operation of the site under the EPR permit, including the initial foreshore seepages and subsequent oil discharge, appear to have been remediated by the repair to the reservoir liner as described in the Reservoir Incident Final Report.

West Catch Basin Desilting

As documented in CAR_NRW0042153, in order to improve the capacity of storm drainage around the West Catch Basin and improve function of MCERTS flow monitoring equipment, the operator dredged silt from a drainage channel on 14 December 2022 and a French Drain on 16 February 2023. The total volume of silt removed was approximately 5 tonnes. This is likely source of a series of exceedances of the permitted zinc limits at Discharge Point D (West Catch Basin). This was reported to NRW at the time and our response is documented in CAR_NRW0042153.

During the site visit, the West Catch Basin discharge point and drainage channels were visited and seen to be clear of silt.

Best Available Techniques and Improvement Conditions

The site permit (BK1341IN/v07) was varied in October 2021 to include the following IC's relating to the Refining of Mineral Oil and Gas Best Available Techniques (BAT) Reference Note (BRef) and associated BAT Conclusions:

Table S1.3 Improvement programme requirements

Reference	Requirement	Date
IC9.20	The operator is required to review water emission monitoring methodology outlined in the Crude Oil Refinery BREF (BAT 10)	6 months from permit issue
IC9.21	The operator is required to undertake a BAT review for the use of a risk based leak detection and repair (LDAR) programme to identify leaking components and minimising the VOC emissions to air. The review should consider techniques outlined in the Crude Oil Refinery BREF (BAT 6 and BAT 18).	10 months from permit issue
IC9.22	The operator is required to undertake a BAT review for utilisation of a vapour recovery system on fixed roof storage tanks. (BAT49)	8 months from permit issue
IC9.23	The operator is required to undertake a BAT review for the requirement of a vapour recovery process as outlined in the Crude Oil Refinery BREF (BAT 52) based on the last three years annual throughput.	8 months from permit issue
IC9.24	The operator to provide an overview of the management system and operation of the connection to the Mainline Pipeline Limited.	4 months from permit issue

The operator has submitted responses to each of the outstanding Improvement Conditions. However, pending agreement with other UK regulators on the appropriate implementation of these BAT Conclusions in the context of oil storage operations (rather than the refining operations that are the focus of the BRef), NRW acknowledge receipt of the submissions but will not assess their content at this time.

IC9.24 does not relate to a BAT Conclusion, requiring the operator to provide an overview of the management system and operation of the connection to Mainline Pipeline Ltd (MLP). The submission from the operator, dated 19 January 2022, outlines the operation of the mainline pipeline, provides a management structure showing the relationship between Valero Logistics and MLP, and describes the principles of the CTEMS management system.

The submitted document demonstrates compliance with the requirements of IC9.24.

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.

If your assessment result in Section 1 is suspended, what does this mean?

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 compliance criteria (used in section 1 and 2):

1. Management

- IR1A – General management
- IR1B – Finance (only applicable to Landfill)
- IR1C – Energy efficiency
- IR1D - Efficient use of raw materials
- IR1E - Avoidance, recovery and disposal of wastes produced by the activities
- IR1F - Multiple operator installations

2. Operations

- IR2A – Permitted activities
- IR2B – The site
- IR2C – Operating techniques
- IR2D – Technical requirements
- IR2E – Improvement programme
- IR2F – Pre-operational conditions
- IR2G – Landfill engineering (only applicable to Landfill)
- IR2H – Waste acceptance (only applicable to Landfill)
- IR2I – Leachate levels (only applicable to Landfill)
- IR2J – Closure and aftercare (only applicable to Landfill)
- IR2K – Landfill gas management (only applicable to Landfill)

3. Emission and Monitoring

- IR3A – Emissions to water, air or land
- IR3B – Emissions of substances not controlled by emission limits
- IR3C – Odour
- IR3D – Noise and vibration
- IR3E – Monitoring
- IR3F – Pests
- IR3G – Air quality management plans
- IR3H – Monitoring for the purposes of the Industrial Emissions Directive (this heading includes Large Combustion Plants)
- IR3I – Fire

4. Information

- IR4A – Records
- IR4B – Reporting
- IR4C – Notification

Enforcement response

Any non-compliance with a permit condition 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 twenty 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 to 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.