

## Compliance Assessment Report CAR\_NRW0046203

**Permit being assessed:** YP3930EX.

**For:** Pembroke Refinery, **held by:** Valero Energy Ltd

**At:** Valero Energy Ltd , Pembroke Refinery, Pembroke, Pembrokeshire, SA71 5SJ.

**Type of assessment:** Report/Data Review,

**Reason:** Routine.

**On:** 31/12/2024.

**Parts of permit assessed:** See below.

**NRW Lead Officer:** Michael Launder.

**Report sent to:** Manager Environmental Engineering , Valero Energy Ltd, on 17/02/2025.

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

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR3A(1) - Installations - Emissions and monitoring - Emissions to water	C3 Minor	3.1.1
IR3A(1) - Installations - Emissions and monitoring - Emissions to water	C3 Minor	3.1.1
IR1A - Installations - Management - General Management	Assessed (A)	
IR4C - Installations - Information - Notification	Assessed (A)	
IR4A - Installations - Information - Records	Assessed (A)	

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

Total non-compliances recorded	Total non-compliance score
2	8

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
IR3A(1)	Operator to implement Steps to be Taken as outlined in Regulation 37 Notice issued on 14 June 2024.	30/06/2025

Criteria	Action needed	Complete by
	Operator to provide update to NRW on progress of reinstatement of No. 3 Kerosene Sea Line.	
IR3A(1)	Operator to implement Steps to be Taken as outlined in Regulation 37 Notice issued on 14 June 2024.  Operator to provide update to NRW on progress of reinstatement of No. 3 Kerosene Sea Line.	30/06/2025

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.

#### **You are non-compliant with your permit.**

**At this time, we are issuing you with a warning for the non-compliance recorded above. Warnings may influence future enforcement response for continued or further non-compliance.**

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

#### Introduction

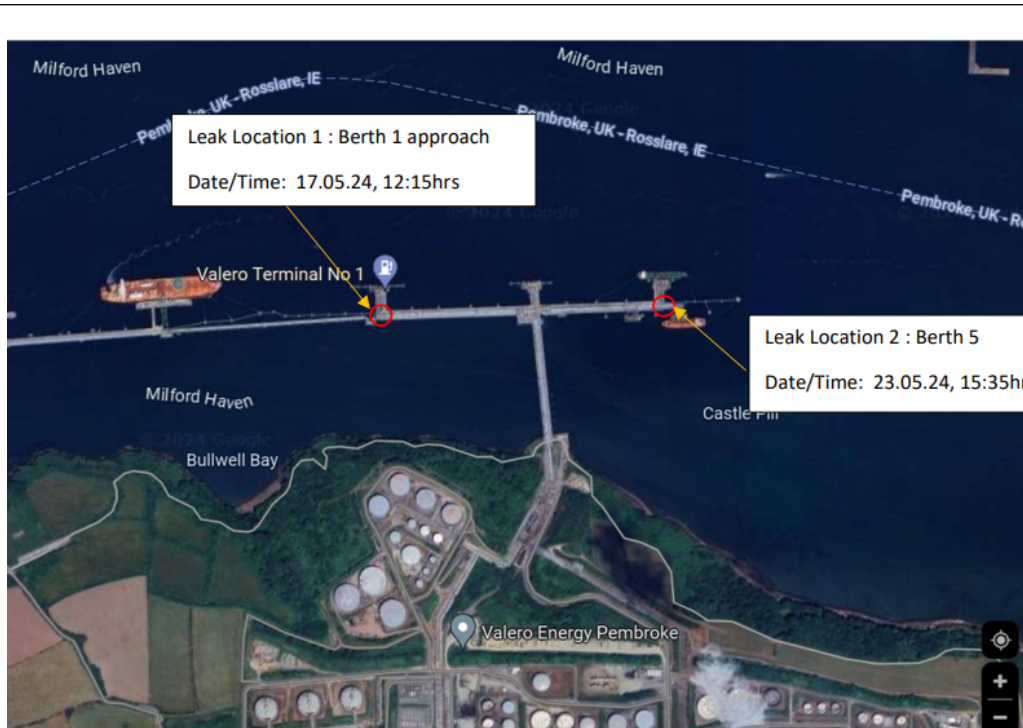
This Compliance Assessment Report was completed in response to two reports of loss of containment from No. 3 Kerosene Sea Line at the Valero Pembroke Refinery in May 2024.

#### Incident

During 17 May 2024, the operator reported to Natural Resources Wales that a loss of containment from the Jetty No. 3 Kerosene Sea Line had been identified at the site, near Berth 1. The spill was estimated to be less than 20 litres, resulting in a sheen but no slick on the surface of the Milford Haven Waterway beneath. The Milford Haven Port Authority were informed and the Port Authority pollution control vessel was deployed to monitor any spread of oil.

The line was isolated and de-pressurised immediately, followed by the addition of secondary containment underneath the leak. A temporary pipe saver was put in place prior to a more permanent clamp installed on 18 May.

On 23 May, following repairs to the initial leak, No. 3 Kerosene Sea Line was brought back into service, but a further leak was observed, near Berth 5. The line was again isolated and de-pressurised to be taken out of service.



Locations of leaks from No. 3 Kerosene Sea Line

### Investigation

A request for information was sent by NRW to the operator on 31 May 2024, requiring confirmation of the failure mode of the pipe, as well as inspection and maintenance status of the outgoing (ship loading) sea lines, including inspection cycles, dates of most recent integrity testing and risk ranking.

In response, the operator confirmed that the failure mechanism for both incidents was external corrosion. At Berth 1 the breakdown of the external coating led to pitting corrosion and a pin hole leak, and at Berth 5 a similar coating breakdown led to weld corrosion and a leak from the drain. The No. 3 Kerosene Sea Line has since undergone further external inspection from boat access, by drone, and close visual survey by rope access. An Inspection Advice Note was raised to cover repairs for the identified external corrosion near Berth 5 (23 May leak) and a further finding of corrosion/pitting under the T-head.

NRW attended the site on 6 June 2024 and visited both points of the line where leaks had been reported. Temporary secondary containment was observed to be in place at both locations, with repairs underway near Berth 1 and inspection ongoing at Berth 5.

Given the risk that spills from the jetty present to the Milford Haven Waterway Special Area of Conservation, on 14 June 2024 Natural Resources Wales issued a notice under Regulation 37 (1) and (2) of the Environmental Permitting Regulations (England and Wales) 2016, suspending the operation of No. 3 Kerosene Sea Line between Berth 1 and Berth 5, pending the completion of a number of steps relating to demonstration of the integrity of the line.

SCHEDULE 2	
STEPS TO BE TAKEN TO REMOVE RISK OF SERIOUS POLLUTION	
Steps to be taken	By date
STEP 1. Kerosene Sea Line 3 between Berth 1 and Berth 5 shall be drained and isolated.	With immediate effect
STEP 2. The operator shall submit proposals, including a timetable of works, to demonstrate the integrity of Kerosene Sea Line 3 prior to the recommissioning of the line.	1 July 2024
STEP 3 Kerosene Sea Line 3 shall not be brought back into operation until the timetable of works prepared in response to Step 2 has been completed and a written report confirming the integrity of Kerosene Sea Line 3 has been submitted to Natural Resources Wales.	As per submission received in compliance with Step 3.

*Steps to be taken by the operator in Regulation 37 notice issued by NRW on 14 June 2024*

The operator wrote to Natural Resources Wales on 27 June 2024 (Mark Phair, Valero VP & General Manager to Erin Smyth-Evans, NRW Industry Regulation Team Leader) confirming the completion of the first and second steps.

The letter outlined that a section of pipeline at Berth 1 was removed and replaced, this included the affected section that leaked but the replacement also tied No. 3 Kerosene Sea Line into No. 3 Fuel Oil Sea Line, to allow ship loading of kerosene through this line at Berths 7 & 8 while Berths 1 to 5 are out of service.

The operator reports that the affected area of line will remain out of service until it can be inspected internally by means of a pipeline inspection gauge, which will require the modification of the line to accept it.

### Compliance

Permit condition 3.1.1 states that there shall be no point source emissions to water except those listed in Schedule 3 of the permit. A non-compliance category of C3 against criteria IR3A(1) Emissions to water has been allocated to each of the spill incidents.

A review of the requested information provided by the operator relating to maintenance, inspection cycles, and integrity testing indicates that the operator has followed industry standards for pipeline inspection procedures. A subsequent audit of pipeline management, and leak detection and repair procedures (CAR\_NRW0045809) also confirmed that the operator follows industry standards for maintenance and inspection of pipelines and other assets at the jetty and across the wider site. As such, the management of maintenance and inspection has not been scored as a root cause for this incident.

On the date of issue of this Compliance Assessment Report, the notice remains in place,

pending the completion of the final step of the notice and ship loading from No. 3 Kerosene Sea Line between Berth 1 and Berth 5 remains suspended.

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](mailto: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](mailto: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.