

## Compliance Assessment Report CAR\_NRW0046084

**Permit being assessed:** AP3136UA.

**For:** Milford Haven Energy , **held by:** Dragon LNG Ltd

**At:** WATERSTON REFINERY , MILFORD HAVEN, MILFORD HAVEN, DYFED, SA73 1DR.

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

**Reason:** Routine.

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

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

**NRW Lead Officer:** Michael Launder.

**Report sent to:** HSE Manager, Dragon LNG, on 18/02/2025.

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

Part of permitted activity assessed (compliance criteria)	Assessment result	Permit condition
IR2A - Installations - Operations - Permitted activities	Assessed (A)	
IR3A(2) - Installations - Emissions and monitoring - Emissions to air	Assessed (A)	
IR3E - Installations - Emissions and monitoring - Monitoring	Assessed (A)	
IR4B - Installations - Information - Reporting	Assessed (A)	
IR4C - Installations - Information - Notification	Assessed (A)	
IR3A(1) - Installations - Emissions and monitoring - Emissions to water	C3 Minor	3.1.2
IR3A(2) - Installations - Emissions and monitoring - Emissions to air	Action only (X)	

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

Total non-compliances recorded	Total non-compliance score
1	4

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 submit a report to NRW detailing the proposed means of addressing pH exceedances at E2B (South Pit).	30/06/2025
IR3A(2)	Operator to provide a summary to NRW of any changes to procedures as a result of the investigation of this incident.	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 has been completed in response to the submission of the quarterly and annual 2024 monitoring returns by the operator, Dragon LNG Ltd.

### Quarterly and Annual Returns

The returns specified by permit condition 4.2.3 Reporting were submitted to NRW within the specified reporting period:

- The Q1 2024 (January to March) submission included all the results for quarterly parameters required over this period.
- Q2 2024 (April to June) submission included all the results for quarterly parameters required over this period.
- Q3 2024 (July to September) submission included all the results for quarterly parameters required over this period.
- Q4 2024 (October to December) submission included all the results for quarterly parameters required over this period.
- The annual (2024) submission included all the results for annual parameters required over this period.

The reported emissions were within emission limits specified in the permit for the above monitoring periods, with the exception of the Schedule 5 reports for exceedances of emission limits outlined below.

### Schedule 5 Notifications

#### Quarter 4 October to December 2024

A Schedule 5 notification submitted to NRW on 28 January 2025 gives the measured monthly pH result for November 2024 at E2B (South Pit) as 9.43 against an upper permit limit of 9.

The operator has previously investigated the root cause of pH limit exceedances, and is designing a modification to the drainage system at this point to prevent ingress of biological matter and reduce stagnation of water held behind a weir before discharge.

**Compliance:** The above pH results are in exceedance of the upper limit set in the permit for E2B and in breach of condition 3.1.2. A non-compliance score of C3 against criteria IR3A(1) Emissions to water has been allocated to this breach for the Q4 2024 monitoring period.

**Action:** Operator to submit a report to NRW detailing the proposed means of addressing pH exceedances at E2B (South Pit).

#### Cold Venting of Methane

A Dangerous Occurrence report was submitted to NRW on 13 December 2024 reporting the cold venting of approximately 4.2 tonnes of methane (natural gas) to atmosphere through an unignited flare. The operator reports that high winds acting on a protective cover had caused the loosening of a bolt controlling instrument air. The resultant loss of air to the valve actuator led to the valve opening and gas to be released from the stack unignited.

This was brought under control through in-situ isolation and the operator is now reviewing the processes around design and deployment of these covers in adverse weather conditions. The natural gas emergency flare (A7) is listed as an emission point in Table 3.1 of the permit, but is designed to operate through ignition and destruction of vented gas rather than cold venting, as occurred during this incident. This has not been assessed as a permit breach.

**Action:** Operator to provide a summary to NRW of any changes to procedures as a result of the investigation of this incident.

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.