# Compliance Assessment Report CAR_NRW0051153

| | | | |
|---|---|---|---|
| **Permit number** | DB3691FK | **Operator name** | MSFT MCIO Limited |

| | |
|---|---|
| **Site name** | MSFT MCIO Limited |
| **Site address** | Newport Campus, Celtic Lakes, Celtic Way, Duffryn, Newport, NP10 8BE |
| **Assessment type** | Other |

| | | | | | |
|---|---|---|---|---|---|
| **Date of assessment** | 24 March 2026 | **Time in** | N/A | **Time out** | N/A |

| | |
|---|---|
| **Parts of permit assessed** | See Part 4 |

| | | | |
|---|---|---|---|
| **NRW Lead officer** | Guy Baskerville | **Accompanied by** | N/A |
| **Report sent to – Name and position** | **[REDACTED]** | **Date** | 24 March 2026 |

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

| Part of permitted activity assessed (use action criteria below) | Assessment result | Permit condition |
|---|---|---|
| IR2E - Operations - Improvement programme | Assessed or assessed in part (A) | 2.4.1 |

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

| Total number of non-compliances recorded | Total non-compliance score |
|---|---|
| 0 | 0 |

## 2. What action is required?

| Criteria | Action needed | Complete by |
|---|---|---|
| N/A | N/A | N/A |

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 prosecutions and/or suspension or revocation of your permit.

## 4. Details of our assessment

The purpose of this Compliance Assessment Report (CAR) is to record Natural Resources Wales' response to a request by the operator to extend the compliance date for Improvement Condition IC4, IC5 and IC7.

*N.B. The request was made via the operator's principal environmental consultant, The ERM International Group Limited (Company number 13391605).*

### Background

The Environmental Permit was issued to the operator on 29 January 2026; however, the installation is still under construction, and the operator has indicated that the permitted activities will not commence until 2027. The environmental permit sets out an improvement programme, comprising 7 distinct improvement conditions and condition-specific compliance dates. The operator requested an extension to the compliance date of a number of the improvement conditions via email on 02 March 2026. Additionally, the operator signposted a minor error in the wording of one of the improvement conditions that it wishes to be addressed.

### Regulatory Context

Condition 2.4.1 of the environmental permit states:

*The operator shall complete the improvements specified in schedule 1 table S1.3 by the date specified in that table unless otherwise agreed in writing by Natural Resources Wales.*

Table S1.3 of Schedule 1 to the environmental permit is partially reproduced below.

| **Table S1.3 Improvement programme requirements** | | |
|---|---|---|
| **Reference** | **Requirement** | **Date** |
| IC1 | The operator shall develop and submit a site-specific Air Quality Management Plan AQMP in conjunction with the Local Authority which identifies the emergency operating conditions (grid failure) when Local Air Quality may be adversely impacted by emissions to air from the installation. This shall include but not be limited to the following considerations:<br>• predicted potential impacts indicated by the air modelling at individual sensitive human receptors;<br>• timescales for response measures;<br>• how local conditions during a grid failure might influence the response required, for example meteorological conditions or time of day;<br>• contingency for how the response will be carried out in the event scenario i.e. loss of power;<br>• co-ordination and co-operation arrangements with co-located backup facilities which may be operating at the same time; and<br>• timescales for continued review of the management plan.<br>The agreed AQMP shall be submitted to Natural Resources Wales for approval. | 29/07/2026 |
| IC4 | The operator shall update the Diesel Spillage and Emergency Response Procedures submitted with application reference PAN-026552 and submit them to Natural Resources Wales for approval by the date specified. | 29/04/2026 |
| IC5 | The operator shall update its existing Environment Management System to incorporate all the activities now covered by this permit in accordance with BAT 1 of the BAT Conclusions for Large Combustion Plant, under Directive 2010/75/EU of the European Parliament and of the Council. The Environmental Management System shall incorporate the Diesel Spillage and Emergency Preparedness Procedures referred to in IC5. The operator shall submit the updated Environment Management System to Natural Resources Wales for approval by the date specified. | 29/04/2026 |

| | | |
|---|---|---|
| IC7 | The operator shall submit to Natural Resources Wales a climate change risk assessment that includes current and future climate change projections.<br>The assessment must be site specific and uses the most up to date climate projections to:<br>• plan and manage the risks associated with a 2°C rise by 2050<br>• assess the risks associated with a 4°C rise by 2100<br>• avoid lock-in to future proof your site<br>• consider internal, external and consequential climate change impacts<br>• develop a plan to regularly update the assessment based on new data or emerging climate trends | 01/03/2026 |

*N.B. To aid understanding of the regulatory approach and rationale, the improvement conditions are addressed non-sequentially.*

**Improvement Condition IC1**

Whilst no request to extend the compliance date was made, the operator indicated that it is their intention to set up a cross-functional meeting with the Local Authority (Newport City Council) and NRW to discuss the format and content of the Air Quality Management Plan (AQMP) in the near future.

**Improvement Condition IC5**

The operator has stated that, whilst the installation is under construction, the site will operate under the primary contractor's Environment Management System (EMS) and a site-specific EMS which addresses the environmental risks posed by the permitted activities will not be in place until the installation commences operations in 2027.

This atypical scenario introduces ambiguities surrounding who currently exerts control over the activities (permitted or otherwise) being undertaken within the boundary of the permitted installation, and therefore, which legal entity may be deemed 'the operator' for the purposes of the Environmental Permitting (England and Wales) Regulations 2016.

Regulation 7 of the Environmental Permitting (England and Wales) Regulations 2016 states:

> *"operator", in relation to a regulated facility, means—*
>
> *(b) if the regulated facility has not yet been put into operation, the person who will have control over the regulated facility when it is put into operation.*

We must conclude that MSFT MCIO Limited is 'the operator' of the installation, including during the period up until operations commence in 2027, and remains responsible for ensuring compliance with the environmental permit. Any non-compliance with the environmental permit which arises as a result of any activities, including those which arise as a result of those activities undertaken by the principal contractor, will result in non-compliance scores being levied and may result in enforcement action being taken against the operator. MSFT MCIO Limited must ensure that the principal contractor's EMS suitably identifies and minimises risks of pollution, including those arising from operations, maintenance, accidents, incidents, non-conformances and those drawn to the attention of the operator as a result of complaints.

Additionally, the operator has requested an extension to the compliance date of improvement condition IC5 and proposed "*no more than 6 months following the handover of the site from construction to operations*" as an alternative date. As per condition 1.1.1 of the environmental permit, we cannot authorise the carrying on of a permitted activity without an appropriate EMS being in effect. Whilst an appropriate EMS must be in effect on the day operations commence, we shall allow a further three-month period for submission of the EMS to NRW, acknowledging that revisions may be required to incorporate additional measures instated to address issues identified during early operation of the installation.

Finally, the wording of improvement condition IC5 incorrectly refers to improvement condition IC5, rather than IC4, where it states:

*"The Environmental Management System shall incorporate the Diesel Spillage and Emergency Preparedness Procedures referred to in IC5* (emphasis added)*."*

A corrected wording of improvement condition IC5 is presented in the revised Table S1.3 of Schedule 1 below.

**Improvement Condition IC4**

As concluded earlier in this report, MSFT MCIO Limited is 'the operator' of the installation, including during the period up until operations commence in 2027, and remains responsible for ensuring compliance with the environmental permit. MSFT MCIO Limited must ensure that the principal contractor's EMS includes appropriate '*Diesel Spillage and Emergency Response Procedures'* to manage risks during the period up until operations commence in 2027. The EMS which is to be brought into effect on the day operations commence must also include appropriate '*Diesel Spillage and Emergency Response Procedures'.* The compliance date of improvement condition IC4 is revised to reflect the extension granted to the compliance date of improvement condition IC5.

**Improvement Condition IC7**

The operator has requested an extension to the compliance date of the improvement condition IC7, citing ongoing data collection and the non-operational nature of the installation. The compliance date of improvement condition IC7 is extended to 17 April 2026.

Further guidance on developing your climate change risk assessment may be found by following the below link.

Combustion power: examples for your adapting to climate change risk assessment

---

Reflecting the above conclusions, acknowledgements and amendments, a partial revision of Table S1.3 of Schedule 1 to the environmental permit is presented below. Table S1.3 of Schedule 1 to the environmental permit shall be formally revised in the next subsequent permit variation.

| **Table S1.3 Improvement programme requirements** | | |
|---|---|---|
| **Reference** | **Requirement** | **Date** |
| IC1 | The operator shall develop and submit a site-specific Air Quality Management Plan AQMP in conjunction with the Local Authority which identifies the emergency operating conditions (grid failure) when Local Air Quality may be adversely impacted by emissions to air from the installation. This shall include but not be limited to the following considerations:<br>• predicted potential impacts indicated by the air modelling at individual sensitive human receptors;<br>• timescales for response measures;<br>• how local conditions during a grid failure might influence the response required, for example meteorological conditions or time of day;<br>• contingency for how the response will be carried out in the event scenario i.e. loss of power;<br>• co-ordination and co-operation arrangements with co-located backup facilities which may be operating at the same time; and<br>• timescales for continued review of the management plan.<br>The agreed AQMP shall be submitted to Natural Resources Wales for approval. | 29/07/2026 |
| IC4 | The operator shall update the Diesel Spillage and Emergency Response Procedures submitted with application reference PAN-026552 and submit them to Natural Resources Wales for approval by the date specified. | Within 3 months of commencement of operations |
| IC5 | The operator shall update its existing Environment Management System to incorporate all the activities now covered by this permit in accordance with BAT 1 of the BAT Conclusions for Large Combustion Plant, under Directive 2010/75/EU of the European Parliament and of the Council. The Environmental Management System shall incorporate the Diesel Spillage and Emergency Preparedness Procedures referred to in IC4. The operator shall submit the updated Environment Management System to Natural Resources Wales for approval by the date specified. | Within 3 months of commencement of operations |

| | | |
|---|---|---|
| IC7 | The operator shall submit to Natural Resources Wales a climate change risk assessment that includes current and future climate change projections.<br>The assessment must be site specific and uses the most up to date climate projections to:<br>• plan and manage the risks associated with a 2°C rise by 2050<br>• assess the risks associated with a 4°C rise by 2100<br>• avoid lock-in to future proof your site<br>• consider internal, external and consequential climate change impacts<br>• develop a plan to regularly update the assessment based on new data or emerging climate trends | 17/04/2026 |

[END]

**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):**

| 9B**Assessment result** | 10B**Description** |
|---|---|
| Assessed (A) | Assessed or assessed in part, no evidence of non-compliance found in the aspects assessed. |
| Action only (X) | Action only relating to the activity assessment |
| Ongoing (O) | Ongoing non-compliance, not scored |

| 11B**Non-compliance category** | 12B**Description** |
|---|---|
| C1 Major | Potential to have a major, serious, persistent and/or extensive impact or effect on the environment, people and/or property |
| C2 Significant | Potential to have a significant impact or effect on the environment, people and/or property |
| C3 Minor | Potential to have a minor or minimal impact or effect on the environment, people and/or property |
| C4 No environmental impact | Non-compliance at a regulated site that cannot foreseeably have any impact on the environment, people and/or property |

**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(1) - Emissions to water
- IR3A(2) - Emissions to air
- IR3A(3) - Emissions to 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 – 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.