

Compliance Assessment Report CAR_NRW0037470

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 carried out: Report/Data Review, Reason: Incident Response (Incident number 2002945).

On 31/12/2020.

Parts of permit assessed: see below

NRW Lead Officer: Gary Evans.

Report sent to: Neil White , Manager Environmental Engineer on 11/02/2021.

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

Part of permitted activity assessed (criteria)	Assessment result	Permit condition
B1 - Infrastructure - Engineering for prevention and control of emissions	C2 Significant	1.1.1
E2 - Emissions - Land and groundwater	C2 Significant	3.1.1

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

Total number of non-compliances recorded	Total non-compliance score
2	62

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
B1	Root cause identified and actions taken concerning the following of the correct tightening procedure	Already completed
E2	HFO cleaned up and operations improved through use of correct procedure to prevent a reoccurrence	Already completed

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.

You are non-compliant with your permit.

We are currently considering taking enforcement action against you for the non-compliance recorded above. We will contact you in due course.

4. Details of our assessment

Introduction

This Compliance Assessment Report (CAR) is a written record of an incident that occurred at the Pembroke Refinery involving a leak or loss of containment (LOC) of Heavy Fuel Oil (HFO) in April 2020. Please note that during this incident and the drafting of this report there was a global pandemic (COVID-19) which resulted in restrictions and stringent measures in place around the world. This CAR form aims to conclude the compliance assessment of the potential environmental impact from this leak as well as the root cause to prevent a reoccurrence.

Incident in Brief: On Sunday 26 April 2020 operators at the Pembroke Refinery discovered a leak of HFO from a flange on sea line 1. The flange had been 're-made' a week prior following inspection of the sea line as part of an on-going program of work. The incident was self-reported by the operator to Natural Resources Wales (NRW) on 27 April 2020 and a Schedule 5 notification made in line with conditions in the environmental permit for the installation.

The leak resulted in a loss of around 19m³ of HFO and went to ground beneath the associated pipe rack finding its way into the site surface water drain and the butane impoundment basin. The operator was forthcoming in the information requested by NRW during the incident and facilitated and cooperated with NRW throughout.

The operator also sought advice and guidance from their consultants in context of the installation to ensure that the loss of containment was 'cleaned up' in a timely manner with no detriment to the environment. NRW also sought advice from the internal geoscience team regarding the geology in the area and any potential environmental impact as a result of the spill.

The operator provided the following information which has been reviewed by the environmental regulator:

- No1 Sea Line April 2020 Fuel Oil Flange Leak – Valero Pembroke Refinery - Environmental Report – 14 August 2020 – Environmental Resources Management Ltd
- Valero Pembroke Refinery – Loss Investigation / Near Loss Investigation - Control No: 2370102
- Step 2 Analysis Cause Map (Valero Pembroke Refinery)

The information supplied within these documents has not been replicated on this CAR form. NRW geoscience was acceptant of the findings of the environmental report which was verbally fed back to the operator shortly after the submission. This CAR therefore is also a written record of the acceptance of the environmental report and the findings of the on-site investigation and actions identified to prevent a reoccurrence.

Action: Operator to provide an update on the completion of the outstanding actions identified in the 'Loss Investigation / Near Loss Investigation' Valero report.

Classification of the HFO incident according to the NRW Compliance Classification Scheme (CCS) and EPR compliance.

Section 3 of the environmental permit states that there will be no point source emissions to air, land and water unless from the sources and emission pointed in Schedule 4. For ease of reference the condition has been replicated below:

3. Emissions and monitoring

3.1 Emissions to water, air or land

3.1.1 There shall be no point source emissions to water, air or land except from the sources and emission points listed in schedule 4 tables S4.1, S4.1a and S4.2.

As a result of this incident there was a loss of containment and a point source emission to ground which is classified as a category 2 (C2) breach of the environmental permit. All non-compliances (except those relating to amenity) are categorised on their reasonable foreseeable impact on the environment and not their actual impact. A category 2 breach is a non-compliance at a regulated site that could foreseeably result in a significant incident.

The root cause of this incident has also been scored on this CAR form. Through our assessment NRW considers that permit condition 1.1.1 was breached in respect of maintenance. Again, a C2 has been incurred as this incident had the potential for a significant spill to the Milford Haven Waterway. The non-compliance has been scored as the flange leak was a result of the incorrect tightening procedure being followed and this was successfully identified by the operator to prevent a re-occurrence. The prevention of a re-occurrence is important due to the on-going inspection work taking place at the refinery.

Conclusion

The resultant enforcement action on the findings of the investigation such as the actual environmental impact amongst other factors such as no-intent, operator response / co-operation, and the corrective actions taken to prevent a reoccurrence (root cause investigation) is currently being considered. A category 2 score has also been incurred which is assessed on the reasonably foreseeable impact. This incident could have resulted in a significant pollution to the Milford Haven Waterway. The operators prompt action and response to the incident meant that the recovery of the lost product was actioned immediately, and the use of the installation's infrastructure helped to contain the spill. No product (HFO) escaped off site and into the wider environment as a result of the flange leak. It is expected that the incident will now form part of the wider regulation of the site and it is expected that any further knowledge gained as a result of the site investigations would be incorporated in the SPMP going forward.

[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.