

Compliance Assessment Report

Report ID:
CAR_NRW0020588

This form will report compliance with your permit as determined by an NRW officer

Site	Cardiff Section Mill EPR/BV0767IT	Permit Ref	BV0767IT		
Operator/Permit holder	Celsa Manufacturing UK Ltd				
Regime	Installations				
Date of assessment	19/05/2016	Time in	10:00	Out	14:50
Assessment type	Audit				
Parts of the permit assessed	Multiple permit conditions				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Richard Lewis/Sara Jones/ Environment Team	Date issued	01/06/2016		

Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations. A detailed explanation is captured in "Compliance Assessment Report Detail" (Section 2) and any actions you may need to take are given in the "Action(s)" (section 4). This summary details where we believe any non-compliance with the permit has occurred, the relevant condition and how the non-compliance has been categorised using our Compliance Classification Scheme (CCS). CCS Scores can be consolidated or suspended where appropriate, to reflect the impact of some non-compliances more accurately. For more details of our CCS scheme, contact your local office.

Permit conditions and compliance summary	CCS Category	Condition(s) breached
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KEY: See Section 4 for breach categories, suspended scores will be indicated as such.

A = Assessed or assessed in part (no evidence of non-compliance), **N** = Not Assessed, **X** = Action only

Number of breaches recorded	0	Total compliance score (see section 5 for scoring scheme)	0
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If the Number of breaches recorded is greater than zero, please see Section 3 for our proposed enforcement response

Section 2 – Compliance Assessment Report Detail

This section contains a report of our findings and will usually include information on:

- The part(s) of the permit that were assessed (eg. Maintenance, training, combustion plant, etc)
- Where the type of assessment was 'Data Review' details of the report/results triggering the assessment
- Any non-compliances identified
- Any non-compliances with directly applicable legislation
- Details of any multiple non-compliances
- Information on the compliance score accrued inc.
- Details of advice given
- Any other areas of concern
- Any actions requested
- Any examples of good practice
- A reference to photos taken

Audit was pre-notified as part of the normal audit schedule and an agenda provided.

Review of actions from last site visit: BV0767IT/0208658

1. Waste Management operations an agenda item.
2. OMA was completed on 29/10/2014.
3. CO monitor now subject to regular servicing and additional status information available in control room.
4. Surplus IBC's were removed from site.

Business Update (Mark Evans, SM Operations Manager)

A general update on the SM performance with specific mention of progress with hot charging and improvement of furnace performance was provided. The SM is following a programme of continuous improvement that is paying dividends. For 2015 production was 307kT and the target for 2016 is 311kT. 71% utilisation was currently being achieved with a target of 77% within 5 years. The energy results for 2015 were very pleasing and during April 2016 the SM electrical consumption figures were the best to date. The predominant market for SM production remains UK and Ireland together with near European countries. However, it remains a very competitive market and it is of vital importance to continue to make small but ongoing reductions in production cost to maintain market share.

Hot charging is more advanced at the RBM compared with the SM, primarily as the SM only takes about 33% of the Meltshop's production. Despite this, progress is being made, but the complexities of different production specifications and variations in billet length requirements together with the need to avoid too many changes in the mill set up, are restrictive. However, good furnace input temperatures are being achieved (200oC for April).

Despite the age of the furnace it is proving possible to continue to make improvements and improve the thermal efficiency and control. Variable speed drives have been installed and an oxygen sensor for improved control. Triple shot wall linings are being installed over time. There are also plans to use a high emissivity internal coating to increase the usable heat. This will be done during the December shutdown and there are expectations for a 4-5kW/T energy saving. While a new furnace would clearly be beneficial there would be consequent downstream issues that would also need to be addressed. In addition an increase in capacity is not justified in the current market, therefore this is not seen as a near term option.

Audit items

Contractor's emissions monitoring reports (PC 2.2.1.3)

Two examples of the contractor's monitoring reports for 2015 (Q1 and Q4) were cross checked with Celsa's Form A1 submissions. No discrepancies were identified. It was noted that Celsa reorder the data to compile the report for NRW. To avoid this inefficiency NRW would be prepared to receive the quarterly reports in the same format as that used by the monitoring contractor as long as all the information required in response to the permit is still provided.

Review of monthly EMS meeting minutes (PC 1.3.1)

Celsa hold monthly EMS meetings and recent reports from these were reviewed, the site contractors for waste and water were also involved with these meetings. There is a well developed system for the logging of environmental related issues and the assigning / completion of generated actions using the Pro Safety application. Examples of identified actions, including photographs of the original issues, and their completion were provided. It was noted that actions were being completed in a timely manner wherever possible.

EMS targets for 2016 were reviewed. Celsa are aiming to make ongoing improvements in gas, electrical, water and oil usage during 2016. In addition they aim for 100% of staff to successfully complete the EHS training.

As part of the EMS each month a 'Learning Lesson' is identified. Recent examples included spill response and chemical storage. This is a good example of a proactive response to environmental management issues and help ensures staff maintain competency and awareness.

Emission inventory reporting

Celsa had completed their submissions and found the process easier than the PI reporting process. They would like the option to print their submission, this may be introduced in future versions.

Celsa's audit of waste and water service providers (PC 1.3.1)

Audits of the service providers were conducted for all three Celsa sites at the same time.

SiteServ, the waste service providers were audited in December 2015. The main issues identified were; the need to update procedures so Celsa have documented accounts of the procedures in use and waste segregation (Celsa employees were not following the correct procedures). Evidence was provided that the procedures had been updated (ECP 14).

Ondeo, the water treatment service provider, were audited in January 2016. There were issues related to the organogram and the need to confirm the UKAS status of external laboratories before they are used for contract analysis work.

Overall there was good evidence that contractors were being adequately controlled.

Complaint's log (PC 2.3.8)

The SM complaint log was reviewed. No recent complaints had been directed specifically at the SM.

Reheat furnace maintenance records (PC 2.3.5/2.3.6)

Hugh Stockford, Engineering Manager, gave a detailed account of the maintenance regime in use for the reheat furnace. This is fundamental for the operation of the whole process and as the furnace is now a significant age (installed in 1965) an efficient and effective maintenance strategy was vitally important.

The current systems in use involved high reliance upon Celsa's own staff with support from external service providers as necessary. Routine maintenance was normally carried out quarterly, an external contractor was used to make process changes and there was daily monitoring of furnace performance. The SAP system was used for control systems. Good evidence of issues being resolved in a timely manner was provided. It was rare for there to be mechanical failures as the lifetime of major components such as skids, ramps and the hearth were well known and necessary maintenance was completed within the expected lifetime. The furnace performance is monitored in detail from the perspective of heating efficiency rather than emissions. Consequently there was no detailed consideration of the emissions performance. Measures that had been introduced in the recent years included ensuring the PLCs fail safe and T/C failure results in zone shut down. It was suggested that there may be some added value from noting the furnace operating conditions at the time of the quarterly emissions monitoring and over time building a picture of how emissions are affected.

A thermography gun has been used to provide an early indication of any furnace issues and this has proved effective. Overall the approach adopted is to try and keep on top of issues to avoid too much work being necessary during planned shutdowns and this seemed to be a strategy that was working.

Site inspection

An inspection of the installation was carried out in the presence of Gary Janes, Richard Lewis and Sara Jones. The following points were noted:

- The oil skimmer tank lid was not aligned correctly so rain water would be able to enter the tank. Action (1) Celsa should ensure the lid is replaced correctly when removed to minimise collection of rain water in the tank
- The oil skimmer tank bund contained a significant volume of oily water and other general detritus. Action (2) Celsa should ensure bunds remain clean to minimise the contamination of collected rain water.
- The general waste area was well maintained with a clear separation between empty and full containers. Also the inventory was being well managed.
- In the water treatment plant the 2nd stage oil collection belt was working but the receiving vessel for oil scrapped from the belt was not functional and oily water was dripping back into the sump. Ondeo planned to clean the system later in the day. Action (3) Celsa should review the frequency of maintenance or make appropriate modifications to ensure the collection system functions more effectively.
- Celsa have an area near the SM offices where skips for cable, electrical items, wood and general waste are located. The skips are managed by SiteServ and removed for further segregation prior to disposal/recovery. However, this area is not within the installation boundary. There is minimal risk for contamination of the ground as the skips are in good condition and there was no evidence of waste not being placed immediately in the skips, however, such activities associated with the process must be carried out within the installation boundary. Action (4) NRW to advise Celsa of the

most appropriate solution to this issue. Response: Celsa are advised to submit an application for a Minor technical change and amend the installation boundary so the area being used for dry waste skips is included within the installation. NRW Permitting have agreed that this can be done as part of a Minor Technical Change.

- In the SM near the furnace transformer there was a large amount of scale on the floor. This was thought to be left over from recent maintenance work on the furnace. Action (5) Celsa to arrange for the scale to be removed.
- The air compressor receiver periodically discharges and this currently goes to ground. Chippings in the area of the discharge were stained although there was no evidence of oily contamination. Action (6) Celsa to investigate options to avoid discharge to ground.

EPR Compliance Assessment Report

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Operator/Permit holder	Celsa Manufacturing UK Ltd	Date	19/05/2016

Section 3 – Enforcement Response

You must take immediate action to rectify any non-compliance and prevent repetition.

Non-compliance with your permit conditions constitutes an offence and can result in criminal prosecutions and/or suspension or revocation of a permit. Please read the detailed assessment in Section 2 and the steps you need to take in Section 4 below.

Section 4 – Action(s)

This section summarises the actions identified during the assessment along with the timescales for when they will need to be completed.

Criteria Ref.	CCS Category	Action required/advised	Due Date
See Section 1 above			

Section 5 – Compliance notes for the Operator

To ensure you correct actual or potential non-compliance we may

- Advise on corrective actions verbally or in writing
- Require you to take specific actions verbally or in writing
- Issue a notice
- Require you to review your procedures or management system
- Change some of the conditions of your permit
- Decide to undertake a full review of your permit

Any breach of a permit condition is an offence and we may take legal action against you

- We will normally provide advice and guidance to assist you to come back into compliance either after an offence is committed or where we consider that an offence is likely to be committed. This is without prejudice to any other enforcement response that we consider may be required.
- Enforcement action can include the issue of a formal caution, prosecution, the service of a notice and/or suspension or revocation of the permit.

See our Enforcement and Civil Sanctions guidance for further information

This report does not relieve the site operator of the responsibility to

- Ensure you comply with the conditions of the permit at all times and prevent pollution of the environment
- Ensure you comply with other legislative provisions which may apply

Non-compliance scores and categories

CCS category	Description	Score
C1	A non-compliance that could have a major environmental effect	60
C2	A non-compliance which could have a significant environmental effect	31
C3	A non-compliance which could have a minor environmental effect	4
C4	A non-compliance which has no potential environmental effect	0.1

Operational Risk Appraisal (Opra) - Compliance assessment findings may affect your Opra score and/or your charges. This score influences the resource we use to assess permit compliance.

Section 6 – General information

Data protection notice

The information on this form will be processed by the Natural Resources Wales (NRW) to fulfil its regulatory and monitoring functions and to maintain the relevant public register(s). The NRW may also use and/or disclose it in connection with:

- Offering/providing you with its literature/services relating to environmental matters
- Consulting with the public, public bodies and other organisations (eg. 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 its service
- Freedom of Information Act/Environmental Regulations request

The NRW may pass it on to its agents/representatives to do these things on its behalf. You should ensure that any persons named on this form are informed of the contents of this data protection notice.

Disclosure of information

The NRW will provide a copy of this report to the public register(s). However, if you consider that any information contained in this reports should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within twenty working days of receipt of this form indicating which information it concerns and why it should not be released, giving your reasons in full.

Customer charter

What can I do if I disagree with this compliance assessment report?

If you are unable to resolve the issue with your site officer, you should firstly discuss the matter with officer's line managers using the informal appeals procedure. If you wish to raise your dispute further through our official Complaints and Commendations procedure, phone our general enquiry number 0300 065 3000 (Mon to Fri 08.00 – 18.00) and ask for the Customer Contact team or send an email to enquiries@naturalresourceswales.gov.uk. If you are still dissatisfied you can make a complaint to the Public Services Ombudsman for Wales. For advice on how to complain to the Ombudsman phone their helpline on 0845 607 0987.

Welsh Language

If you would like this form in Welsh please contact your Regulatory Officer.