Compliance Assessment Report

Report ID:
CAR_NRW0026740

This form will report compliance with your permit as determined by an NRW officer					
Site	Tremorfa Melt Shop	Permit Ref	TP3639BH		
Operator/Permit holder	Celsa Manufacturing UK Ltd				
Regime	Installations				
Date of assessment	07/12/2016	Time in	09:00	Out	13:30
Assessment type	Audit				
Parts of the permit assessed	General audit				
Lead officer's name	Richards, Gareth (Rivers House)				
Accompanied by					
Recipient's name/position	Richard Lewis/ Environment Manager	Date issued	13/12/2016		

Section 1 – Compliance Assessment Summary

This is based on the requirements of the permit under the Environmental Permitting Regulations or the licence under the Water Resources Act 1991 as amended by the Water Act 2003. 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**
B1 - Infrastructure - Engineering for prevention and control of emissions	C3	1.1.1

KEY: See Section 5 for breach categories, suspended scores will be indicated as such.
A = Assessed or assessed in part (no evidence of non-compliance), **X** = Action only,
O = Ongoing non-compliance, not scored.

Number of breaches recorded	**1**	**Total compliance score** (see section 5 for scoring scheme)	4

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

An audit was carried out at the Celsa Meltshop on 7th December 2016. The Operator was provided with an agenda prior to the audit. Richard Lewis and Sara Jones were present for the duration of the audit, other Celsa personnel were involved as appropriate.

Business Update

A business update was provided by Gary Coombes – Production Manager. Sales were buoyant at the moment and the Meltshop production for 2016 was likely to exceed 1Mt. The likely target for next year was 1.1Mt. Considerable effort continued to be directed at improving the overall efficiency of the process and this included continuous optimisation of scrap blends and reducing oxygen consumption. The current tap to tap time was 54 minutes. Although this had tended to increase since the plant was commissioned the emphasis was on maximising overall efficiency rather than the pursuit of maximum production at all cost. Considerable investment had also been made in the replacement of T1 and T2 ducting (quench tower). This had previously been the root cause of persistent CO breaches. In addition improvements had been made to water quality and the water tower. Merchant grade scrap (HMS 1 and 2) continued to be the major component in scrap blends (currently 48%). The scrap screening process also continued to be an important stage of the overall process.

Phil Cartlidge – Operations Manager, provided an update on further technical matters. It was accepted that the quality of the quench tower that had been replaced had not meet expectations in terms of its operational life. The replacement was better quality and had been manufactured by trusted suppliers. It was subject to monthly visual inspections and there was an expectation of at least a further four years serviceable life time. The inspection regime incorporated six monthly ultrasonic thickness measurements. This should provide a reliable picture of the wear rate and useful warning of potential issues. The external duct work known as the 'Bishops Hat' had also been replaced and upgraded from Corten steel to stainless steel.

It was noted that the Christmas shut down period would be from 23rd December to 8th January. During this time there would be repair work to the furnace refractory lining and dust removal from duct work. If there were any changes to this period NRW should be advised to enable an informed response by NRW in the event of any complaints. **Action (1): Celsa to advise NRW as necessary.** The summer shut down was scheduled for 2nd to 12th August 2017.

Review of previous CAR (TP3639BH/02444490)

All actions identified on the previous CAR form were reviewed. Celsa had responded on all counts and there were no outstanding actions.

Audit topics

Management of change procedures/contractor auditing

A new contract had been issued in October 2016 to Thompson Facilities for specific services on the Meltshop, Section Mill, Rod and Bar Mill and Mineral Sites. This included the provision of dust suppression activities. Existing staff had been transferred across and new equipment procured by the contractor. A copy of the contract was provided for reference. It was noted that there is explicit mention in this (p28) to the 'frequency of dust suppression being increased - as deemed appropriate by the Operational Manager'. This is a good measure and should help ensure specific dust suppression issues are dealt with in a timely and effective manner.

There is a monthly KPI meeting (specifically with Thompson's) and a copy of the review document was presented as an example. However, it was noted that this did not include any monthly scores for dust suppression activities following the date of contract award. In addition there is some evidence to suggest that the handover of responsibilities had not been seamless on the basis that after a long period of no dust complaints from the Tremorfa Industrial Estate two had been received in recent months, both with similar descriptions of the problems.

Action (2): Celsa to investigate if there is evidence of the new contractor not adhering to the required practices to ensure fugitive dust emissions are controlled effectively and report back to NRW. Due 6th January 2017.

Auditing of contractors

A dedicated member of staff had been appointed on a one year contract specifically to set up processes for the performance management of contractors. This included defining the pre-contract requirements that need to be met and ongoing performance standards. This was considered to be a good development and had the potential to ensure satisfactory standards were consistently achieved.

TOPAS maintenance and service contract

The existing contract with Turnkey had been upgraded to include onsite maintenance/repair work (copy of this was not yet available). This would avoid the instrument needing to leave site for significant periods and avoid damage in transit. The possibility of upgrading the equipment was also being examined. Calibration was currently being carried out on an annual basis and a copy of the most recent certificate was provided (dated 13/10/2016).

Fugitive dust management plan

NRW had previously advised Celsa about possible improvements to the Fugitive Dust Management Plan (Email dated 16/11/16) as a result of the recent off site dust complaints. However, it was noted that there had been a recent change (October) in the contractor who had responsibility for dust suppression at the Mineral Site. It was therefore considered best that prior to making any changes to the plan, any possible issues and short comings in operational practices resultant from the change in contractor should be considered first (see Action (2) above). NRW was happy with this approach, however, Celsa must be confident that the plan is robust and all measures necessary to prevent off site impacts must be followed. See specific comments in respect of the concerns about ladle slag and Action (4) below.

If any changes are made to the plan a revised copy must be provided to NRW. **Action (3): Celsa.**

Contractors monitoring reports

The contractor's full monitoring report for 2016 was not yet available. A copy of the 2015 report that was issued in December 2015 was viewed. Data reported in this was cross checked with Celsa's annual monitoring return and no issues were identified.

Generation of monthly CEMS data

The spreadsheet that is used to generate the monthly monitoring data that is reported to NRW was viewed. The reported values for Particulates and CO correlated with the average results generated by the spreadsheet. No issues were identified. All raw data is retained in case of future queries.

Complaints log

A copy of the complaint log was reviewed. There were no entries for the Meltshop that were not already known about.

Lancing Booth operational records

Copies of the Mineral Site Daily Report for the periods 21st-25th and 28th-29th November 2016 were provided. The forms included comment sections for the weather, the activities in progress (Lagoon areas, Digback area, Lancing and Drop balling areas) and Other Issues. In addition there was a section for comments related to a weekly check of the Mineral Site boundary.

The following comments are provided in respect of the reports examined:

- The wind direction is being described in an inconsistent manner. The normal convention is to report the direction the wind is coming from rather than the direction it is going to.
- There were no comments on any of the forms related to the Weekly boundary checks so it is not clear if these are being carried out.
- A Ringlemann reading was stated yet there were no notes to suggest there had been lancing activity. If the lancing booth is not operated during the day then no Ringlemann reading should be reported.

Overall the standard of the Reports could be improved. This should be passed to those responsible for completing the form.

The Dust/Fume extraction service reports for June and September 2016 (prepared by DanE) were reviewed.The consecutive reports suggest that there are significant issues related to the condition of the Lancing Booth. Some of the issues identified in the June report (Holes in ducting, corroded dampers, sealing of booth doors, water ingress causing corrosion, observable stack emissions and high DP) appear not to have been addressed and are repeated again in the September report. This item of equipment is of environmental significance, poor maintenance is likely to lead to increased environmental impact. The standards are not considered compliant with permit Condition 1.1 as there is no evidence of an effective PPM programme for the Lancing Booth being in place. A Cat3 non-compliance is therefore recorded.

AOBs

Celsa were advised about the new NRW Incident Hotline reporting number (03000 653000). The old number is still functional but will be phased out during 2017.

Celsa Manufacturing UK Ltd. provided a copy of their 2016 Environmental Statement.

Site inspection

A number of different processing areas on the site were visually inspected for the purpose of assessing the effectiveness of the measures that are in place to minimise environmental impact. The scrap bay was stocked to moderate levels (estimated at 7000t) of different material grades. Scrap screening was in progress. There was a slight odour and slight fog within this area although no evidence of any off site impact. There was also a small amount of waste material blowing around (such as small pieces of plastic and paper) although this did not appear to be going off site. However, it may be necessary to collect this material for disposal at suitable frequencies. Those areas of the scrap storage bay that were not in current use were generally clean, this included the large area to the north east of the old melt shop. It was noted that this area may be used again for scrap storage depending upon the purchasing policy.

On the Mineral Site there is now a very large inventory of scrap screenings, this was estimated to be 30 000t. There was an excavator working on top of one of the piles. This was thought to be associated with the proposed transfer of 5000t of the screenings to landfill. Photographs of the main stock pile were taken. There was no evidence of any significant run off from the piles and the general area and roadways were in an acceptable condition. There was not any evidence of condensation plumes from the piles that could be indicative of self-heating.

Action (4): Celsa to provide a current inventory for the scrap screenings and the current plan for transfer of this material for recovery/disposal. This to include the quantities of any individual transfers and the proposed recovery/disposal destination. Information to be provided by 6th January 2017.

The slag tipping area was being adequately maintained. A water bowser was seen sucking up water from a large puddle, this would be used for dust suppression during slag tipping. Despite waiting for a considerable time, in the expectation of witnessing slag tipping, when the truck arrived it went to a different part of the site. The tipping was therefore only observed from a distance and without a clear view. It was therefore not possible to make a detailed assessment of the potential environmental impact. However, it appeared that the water bowser was the sole source of dust suppression during the tipping process.

In one of the areas that had previously been used for tipping there was a significant quantity of ladle slag. This was not mixed with arc furnace slag and was very dry. When this was slightly disturbed it became airborne. It would be easy for this material to become entrained during the tipping particularly in the event of strong winds and dry conditions. It also leads to the conclusion that the current practise of loading the tipper at the cow shed with one bucket of ladle slag then two buckets of arc furnace slag whilst ensuring minimum release of ladle slag dust during the transfer operation, does not necessarily ensure that the ladle slag remains covered following the tipping operation at the Mineral Site.

Celsa provided a copy of the contract between Celsa Manufacturing (UK) Ltd. and Thompson Facilities and Project Management Ltd. that covers Dust Suppression (Roadsweeper, Tractor/Water Bowsers) and Drains Cleaning, and Weighbridge Plates Cleaning. Examination of this indicated that water bowser dust suppression was only available between the hours of 0600 to 1800h. It is therefore unclear how the release of fugitive dust from the slag tipping activity that occurs between the periods 1800 to 0600h is effectively controlled.

Action (5): Celsa to advise what the active fugitive dust abatement is for slag tipping operations that occur between the hours of 1800 and 0600h. Information to be provided by 6th January 2017.

The slag tipping area at the Meltshop was inspected and general discussions held regarding the operating practices. Both slag tunnels were viewed (Arc furnace slag and ladle slag). It became apparent that contrary to the information that was provided as part of the original PPC permit application document the ladle slag is **NOT** subject to any dampening prior to loading into the tipper for transfer to the Mineral Site. While it is normal practise to operate the water sprays during loading of the tipper, this will only help reduce the generation of air borne dust from the loading process rather than dampen the bulk ladle slag.

The general condition of all other areas of the site that were viewed appeared good. It was clear that there had been considerable effort to ensure roadways were clear. It was subsequently advised that there was to be a VIP visit the following day.

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Operator/Permit holder	Celsa Manufacturing UK Ltd	Date	07/12/2016

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			
B1	C3	Adopt an effective PMP for the Lancing Booth that ensures maintenance recommendations are acted upon and infrastructure is improved.	31/01/2017

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 report should not be released to the public register(s) on the grounds of commercial confidentiality, you must write to your local area office within fifteen 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.