

Compliance Assessment Report CAR_NRW0039295

Permit being assessed: BP3532HX.

For: Newport Ceramic Works EPR/BP3532HX, held by Kennametal UK Ltd

At: Leeway Industrial Estate Lake Road , Newport, South Wales, NP19 4SR.

Type of assessment carried out: Report/Data Review, Reason: Routine.

On 31/01/2022.

Parts of permit assessed: 4.2.1 Annual Reports 2021 & EMS Targets Review 2021

NRW Lead Officer: Rebecca Green.

Report sent to: James Wham, Senior EHS Analyst on 08/02/2022.

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

Part of permitted activity assessed (criteria)	Assessment result	Permit condition
A1 - Specified by permit	Assessed (A)	
B1 - Infrastructure - Engineering for prevention and control of emissions	Assessed (A)	
B5 - Infrastructure - Plant and equipment	Assessed (A)	
C2 - General Management - Management system and operating procedures	Assessed (A)	
E1 - Emissions - Air	Assessed (A)	
E5 - Emissions - Waste	Assessed (A)	
E4 - Emissions - Sewer	Assessed (A)	
G1 - Monitoring and Records, Maintenance and Reporting - Monitoring of emissions and environment	Assessed (A)	
G4 - Monitoring and Records, Maintenance and Reporting - Reporting and notification to Natural Resources Wales	Assessed (A)	
H1 - Resource Efficiency - Efficient use of raw materials	Assessed (A)	
H2 - Resource Efficiency - Energy efficiency	Assessed (A)	

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

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?

No action required.

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.

At this time, we do not intend to take any further action.

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

Forms WaterUsage1 2021; Energy1 2021; Performance1 2021 and Air1 1st January to 31st December 2021 were received on 28th January 2022.

The End of Year Report 2021 was received on 31st January 2022.

All the reports are accepted.

Water Usage CY2021

Total use was lower than in 2020 and use per tonne decreased by about 4%.

Energy Usage CY2021

Total use was similar to that in 2020; the use per tonne was slightly less.

Performance CY2021

Production was slightly higher than in 2020.

The estimated amount of effluent discharged to sewer was less than in 2020, both in terms of m³ per tonne of production and in the total amount discharged.

Water and energy usage are discussed under the relevant heading above.

Air1, Air Emissions 1st January -31st December 2021

Emissions were measured above the relevant emission limit values (ELV) at three emission points.

Emissions from emission points A7 and A8 were below their respective ELVs.

The ELV for ammonia was exceeded at emission point A1. A3 and A6 both exceeded their respective ELVs for particulate emissions. There is a known problem with particulate emissions from A6, consequently scores for non-compliances from A6 are suspended at the moment.

The causes of these breaches are discussed in the Annual Report (see below).

End of Year Report 2021

(Kennametal's financial year (FY) runs from July to June so the data in this report does not always refer to the same period as the forms above).

Air (where comparisons are made they are with 2019/tonne of production, as results from 2020 are only for two quarters and not representative).

A1: The high ammonia (NH₃) emission from A1 in Q3 was due to a change in operating procedures. Kennametal have reverted to the previous method and this ELV was not breached in the last monitoring round. Long term trends for this emission point remain similar to those reported in 2019. All other emissions were within their respective ELVs. Particulates, carbon monoxide (CO) and cyanide (CN) emissions were all less than in 2019, with particulates showing a long term negative trend. NH₃, nitrogen oxides (NO_x) and sulphur dioxide (SO₂) were all higher than in 2019, with

NO_x, CO and CN showing long term positive trends and SO₂ a negative one. Improvements in abatement equipment and its maintenance have contributed to the negative trend for particulates. The other trends are probably due to different product mixes and changes in production volumes. **A3:** The ELV for particulates was exceeded in Q3, probably due to residual dust after maintenance. Emissions were less than in 2019, but show an overall positive trend.

A6: Particulate emissions continue to exceed the ELV, however, they are lower than in 2019. Kennametal will be installing new abatement equipment here in Q2 2022 which is designed to bring emissions back into compliance.

A7: Particulate emissions were all less than the ELV in 2021 and less than in 2019. They show a slightly positive trend.

A8: All emissions were below their respective ELVs in 2021. NH₃ and CO were less than in 2019. CO exhibits a long term positive trend, which may be reversing and particulates show a negative one. No other trends are obvious. Particulates, NO_x, SO₂ and CN were all higher than in 2019.

Total site emissions: Particulates, CO and CN are all less per tonne of production than in 2019. NH₃, NO_x, SO₂ and CN are all higher per tonne of production than in 2019.

Energy efficiency (FY21 July 2020 - June 2021 and FY22 July - December 2021): Although total energy usage was 4% less in FY21, due to lower production, energy efficiency fell by 4% because of this reduction in production. In the first half of FY22 energy usage increased but overall energy efficiency rose due to increased production. These improvements are mainly due to the purchase of new equipment, repairing compressed air leaks and alterations to production methods. The final product continues to contain 31% reclaimed material.

Waste: Both the total and the amount produced per tonne of production in FY21 decreased, due mainly to reduced production. Waste generation so far in FY22 is similar to that in FY21. Laboratory samples have been recycled back into the process since May 2021, diverting 161Kg away from landfill.

Filter dust continues to make up 5% of one product, avoiding more landfill deposits.

Evaporator boats continue to be recycled, saving about 24 tonnes of landfill waste in 2021.

Kennametal's targets for FY22 include significant capital investments. New abatement equipment will be installed to reduce particulate emissions from emission point A6. Water consumption should be reduced by the installation of a more energy efficient air cooler on one of the furnaces. Fugitive emissions should be reduced by the installation of extraction booths. As well as reducing energy consumption, the installation of new, more energy efficient drying ovens may also help to reduce particulate emissions from A6.

Kennametal are planning to make several significant capital investments in 2022. These should reduce emissions from A6 and improve the efficient use of resources. NRW hope that Kennametal will start to see the benefits of these investments in 2022.

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.