

Our Ref: PPC/A/1013107/FWL/1
Your Ref:

Gordon Milne Operations Director
INEOS FPS Limited
Antonine House
Callendar Business Park
Falkirk
FK1 1XR

If telephoning ask for:
Damian Walls

21 September 2018

Dear Mr Milne

FINAL WARNING LETTER TO INEOS FPS PPC/A/1013107/FWL/1

POLLUTION PREVENTION AND CONTROL (SCOTLAND) REGULATIONS 2012 INEOS FPS LTD KINNEIL TERMINAL PPC/A/1013107/CP01

Further to our meeting on 11 September 2018 to discuss compliance and the specific breach of your Permit, SEPA is writing to you to issue a final warning and reiterate that non-compliance will not be tolerated.

In our meeting with you, we discussed the formal warning that was sent to INEOS FPS by SEPA on 6 June 2018. This letter confirmed that further enforcement action would be considered unless a clear plan was received by 30 June 2018 as to how compliance with Condition 5.1.10 would be restored as soon as possible.

Subsequently, SEPA received a letter from INEOS FPS dated 29 June 2018. This letter informed SEPA that it was your intention to permanently decommission Trains 1 and 2 ground flares (Emission Points A8, A9, A10, A11- BJ 701, BJ702, BJ703, and BJ704). It also confirmed that INEOS FPS would be submitting an application to SEPA for a variation to reflect this position. This did not constitute the required clear plan for restoring compliance, however, prior to proceeding with further enforcement action, SEPA agreed to meet with INEOS FPS to discuss your response to our formal warning.

The meeting on 11 September 2018 covered the following agenda items:

- Permit compliance and in particular, Condition 5.1.10 and the warning letter dated 6 June.
- Guidance on Cost Benefit Analysis Method and Derogation Format for IED.
- For effluent IED, explanation why variation is no longer suitable and derogation is required at short notice.

As part of the first item on the above agenda, SEPA confirmed that compliance was non-negotiable and that the possibility of further enforcement action had been formally highlighted to you in June 2018. It was clear from our discussion that INEOS FPS merely re-stated the position set out in the response letter dated 29 June 2018.

Continued...



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SEPA confirmed that this did not restore compliance with your Permit. During the discussion, SEPA explained that the information it held for the installation indicated that the ground flares for Train 1 and 2 had not been used since 2013 but that they were endorsed until July 2018. We indicated that restoring compliance required inspection and repair work by INEOS FPS prior to commissioning and that the work detail for this had been provided by the previous operator in August 2017.

INEOS FPS stated that under no circumstances would the spade physically isolating the ground flares on Trains 1 and 2 be removed.

As part of the discussion on noise impacts, SEPA explained that the noise limit established though VN06 is an upper limit designed to prevent a significant adverse impact and that Condition 5.1.10 still required to be complied with to reduce noise emissions.

In support of this, SEPA pointed out that Train 2 flaring over 15 and 16 August 2018 had resulted in four complaints of noise from members of the public due to the flaring and steam rates overnight. In addition, SEPA did not accept the approach used by INEOS FPS to discount these complaints, particularly because the impact of the noise was not assessed overnight or with the same flaring and steam rates.

SEPA could see no resolution coming forward for the major non-compliance: the issues raised by INEOS FPS at the meeting on 11 September 2018, including the delayed noise model for Trains 1 and 2 and the 12 week study into gas compression, all fail to address the non-compliance with Condition 5.1.10, which states:

With the exception of acid gas streams detailed in Condition 5.1.9 and cold relief streams from Trains 1 and 2, flaring at the Kinneil Terminal shall preferentially take place at Stacks 9 and 10 as specified in Table 4.1.

I must advise you that this letter constitutes a final warning. Any further/continued contravention of condition 5.1.10 will result in enforcement action being taken against you by SEPA unless we receive a clear plan in writing by 31 October 2018. This plan requires to set out how you will restore compliance with regard to Trains 1 & 2 as soon as possible and will include a justified, credible timescale. The enforcement action mentioned above could include the submission of a report to the Procurator Fiscal recommending prosecution, and such a report may include the previous breaches of condition 5.1.10 referred to in this letter.

If you have any questions about this letter, please contact Damian Walls, Specialist (PPC & COMAH), at SEPAs Edinburgh office, telephone:

Yours sincerely

Rob Morris
Interim National Technical Support Unit Manager

Cc: Bill Sloane (INEOS FPS); David Smith (INEOS FPS); Lin Bunten, Head of Resolution (SEPA); Ian Buchanan, Head of Environmental Performance (SEPA).