

DURHAM YORK ENERGY CENTRE



April 7, 2020

Operations Phase Audit Plan
Revision 1

OPERATIONS PHASE AUDIT PLAN REVISION 1

INTRODUCTION

Condition 16 of the Notice of Approval to Proceed with the Undertaking for the Durham and York Residual Waste Study (Ministry of the Environment EAAB File Number EA-08-02) requires the proponents to retain the services of a qualified independent professional engineer to conduct an audit of the undertaking in accordance with an audit plan to be submitted to the Regional Director. Through consultation with the Ministry of Environment, Conservation and Parks (MECP), it was agreed that audits of the undertaking would be divided into three phases: the Construction Phase, the Acceptance Testing Phase, and the Operations Phase. This understanding was formalized in the Construction Phase Audit Plan, which was approved by the MECP on December 8, 2011. The Construction Phase Audit Plan committed the proponents to submitting separate audit plans for future phases of the project.

This Operations Phase Audit Plan describes the requirements for annual audits to be performed by a qualified, independent, professional engineer throughout the lifetime of the facility. As previously approved by the MECP, the first operations phase audit report was submitted to the MECP on April 29, 2016.

BACKGROUND

The Durham York Energy Centre (DYEC) is an energy-from-waste (EFW) facility located in the Municipality of Clarington, Ontario. Owned by The Regional Municipality of Durham and The Regional Municipality of York (Regions), the facility processes up to 140,000 tonnes of non-hazardous, municipal solid waste per year. Heat generated during the combustion of waste is used to generate steam and electricity. Recyclable metals are also recovered from the ash. The DYEC is designed, built, and operated by Covanta Durham York Renewable Energy Limited Partnership (DBO Contractor) in accordance with all applicable regulations using state-of-the-art air pollution control technology. The undertaking was approved under the Environmental Assessment Act by the Minister of the Environment and the Lieutenant Governor in Council on November 3, 2010. An Environmental Compliance Approval (ECA) for waste, air and noise, and storm water was approved June 28, 2011.

Commercial operations commenced in January 2016. The first operations phase audit report was submitted to the MECP on April 29, 2016.

ROLE OF THE INDEPENDENT AUDITOR

The role of the Independent Auditor is to perform an annual facility inspection and complete a review of relevant documentation pertaining to facility operations to confirm that all activities comply with legislative requirements and conditions of approvals and permits including the commitments made in the Environmental Assessment (EA) report.

In addition to the annual independent audit, the DBO Contractor is required to conduct and document daily inspections of the facility. The Owners will also conduct regular inspections of facility operations and will maintain an on-site presence during operations. The Independent Auditor will be selected in accordance with the definition provided in the Notice of Approval of the EA.

“Qualified, Independent, Professional Engineer” means a person who holds a license, limited license or temporary license under the Professional Engineers Act who is not an employee of the Regional Municipality of Durham, the Regional Municipality of York, the operator of the undertaking, or the ministry, who has not been involved in the design of the undertaking but who is knowledgeable about the Environmental Protection Act, Regulation 347 and Ontario Regulation 149/05, ministry guidelines affecting thermal treatment facilities, any other ministry approval issued for the undertaking as well as being experienced at assessing compliance with environmental legislation and requirements of certificates of approval issued under the Environmental Protection Act.

As previously approved by the MECP, the Owners provided the name and employer of the first operations phase auditor at least two months prior to initial receipt of waste. Where there is a change in auditing firms, the Owners will submit the name and employer of any operations auditors two months in advance of the annual audit.

AUDIT SCOPE

The audit scope will include the following:

- 1) Confirmation that the operations at the Site are undertaken in accordance with the requirements of the EA Approval, ECA, and regulatory requirements.
- 2) A review of the monitoring and testing results required by the ECA;

- 3) A review of any complaints received about the operation of the DYEC;
- 4) A review of recommendations for improving the operation of the DYEC received from the Advisory Committee;
- 5) A review of all operations used in connection with the undertaking; and
- 6) A detailed review of all records required to be kept by the EA Approval or under any other MECP approvals for the undertaking.
- 7) Recommendations for any improvements to ensure that DYEC operations are compliant and protective of human health and safety and the environment;
- 8) Observations made during the detailed walkthrough of the entire site;

TIMING OF THE AUDIT

Operations phase audits are completed annually. The independent audits will be scheduled to be completed within one month following the Regions' submission of their annual operations report to the MECP as required by Condition 15 of the Environmental Compliance Approval. The independent operations audit must therefore be completed prior to April 30th of each year.

In the event of an emergency situation such that the auditors are prevented from undertaking the annual audit, the audit will be deferred and completed within six (6) months of the emergency situation being resolved.

The audit report will be submitted to the MECP Regional Director within 10 business days of the date that the audit is completed. The audit date will be subject to change to accommodate the completion of the annual report.

AUDIT METHODOLOGY

The audit will include a detailed inspection of the entire site by the Independent Auditor to view the facility operations and the environmental controls and mitigation measures in place. The Independent Auditor will compare the operations and monitoring results with the appropriate ministry approvals contained in the EA and ECA. The Independent Auditor will identify any discrepancies or deviations from what has been approved by the MECP. The audits will also include a comprehensive review of monitoring records.

AUDIT REPORTS

The Independent Auditor will submit to the MECP Regional Director a signed, written report summarizing the results of the audit. The audit report will be submitted within 10 business days following completion of the audit. The audit reports shall include the following.

- A summary of the site visit, the records reviewed, and any interviews with staff from the Regions, the Owners' Consultant, or the DBO Contractor.
- An assessment of compliance with all applicable approvals, permits, and regulations
- A review of the data from the monitoring and testing plans
- A review of recommendations from the previous year's independent audit report
- Recommendations
- Conclusions