

LMRP

Environmental Due Diligence Audit for 2012

MECC May 2013

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Overall Audit Objective

To evaluate the performance of KAP's environmental management system (EMS) based on the principle

“Do what you say...say what you do”

and if potential issues are identified, provide corrective or preventative actions that may be implemented to ensure that inherent risks are addressed and mitigated properly.

Main Audit Objectives

- verify the DB Contractor is in compliance with the requirements as found in the Design Build Agreement (DBA)
- verify the processes/procedures (office and field) in-place for consistency and confirm they are conducted in accordance with KAPs EMS
- evaluate the current status of environmental programs
- identify findings which conform/comply (positive findings), non-conformances/non-compliances (major and minor), and potential findings (insufficient information to assess)
- provide suggestions for areas or opportunities for improvement.

Focus of the audit

- EA Commitments, Permits/Approvals and Contractual Compliance
- Compliance Activities – Compliance activities having occurred in the recent past and are currently being conducted on site
- KAP Audit Action Plan – Confirmation of follow-up by KAP, as per KAP's response, to address the Action items identified during the first audit.

Conduct of Site Audit

- The environmental due diligence audit for all generating station sites was completed in one day. The audit focused on select documentation and activities having occurred on the Project since the conduct of the first audit and including the site audit.
- The site audit was conducted in two stages:
 - Site Investigation
 - Documentation Review.

Positive Findings

- The environmental component of the Project is being conducted in a well organized and reasonable manner by KAP with issues being addressed in a timely manner.
- Revisions of forms and tracking sheets have also been developed by KAP Environment to assist in organization and tracking of issues and requirements of the Project.
- The approach taken by KAP to ensure transparency of Project activities and challenges related to environmental issues when communicating with OPG, EWG and the respective government agencies is considered good planning.

Non-conformances/non-compliances

- The audit identified minor non-conformances/non-compliances that may be directly related to one main systemic deficiency, the outdated or incorrect provision of information in the KAP EMP and various CEMPs.
- A number of the Action Items identified during the first audit remain outstanding due in part to the pending provision or confirmation of information to be included in the revised CEMPs.
- The revisions to outstanding CEMPs, identified, should be completed as soon as possible and provided to Hatch for distribution to OPG and the EWG.
- It is anticipated that the revised CEMPs will more accurately reflect current activities ongoing at site, and new procedures or summaries that have been developed as this documentation forms the basis for the KAP EMS to facilitate the closure of these Action Items. This will also ensure that all EA commitments and terms and conditions (including permits/approvals) are addressed as required in a proactive manner.

Conclusions

- There were no audit findings that warranted a “major non-conformance/non-compliance” and therefore would have any direct and/or cumulative environmental impacts, or a contravention of the terms and conditions of permits/approvals and EA commitments.
- The increased and daily presence of the KAP Environment Team throughout the Project site and the implementation of additional hands-on training with Project personnel working on site is seen to be a major factor in reducing the risk or potential for an occurrence of a major environmental infraction or violation.
- Where environmental infractions have occurred (i.e., sedimentation ponds), KAP has identified these infractions or violations to the responsible government authorities in a timely manner and have built-up a good working relationship with the government agencies having accommodated numerous site visits as requested by each agency.