



## **Compliance Audit Report Public Version**

### **Palm Beach County Resource Recovery Corp.**

NERC ID# 10054

**Contains Confidential Information (including  
Privileged and Critical Energy Infrastructure  
Information) Has Been Removed**

**Date of Audit: November 2-3, 2010**

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## Executive Summary

A compliance audit of Palm Beach County Resource Recovery Corporation (PBC), NERC ID # - 10054 was conducted from November 2 to November 3, 2010. At the time of the audit, PBC was registered for the Generator Operator function.

The audit team evaluated PBC for compliance with thirty five (35) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit team assessed compliance with the NERC Reliability Standards, and applicable Regional Reliability Standards, for the period of June 18, 2007 to November 3, 2010. PBC submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by PBC to assess compliance with standards applicable to PBC at this time.

Based on the information and documentation provided by PBC, the audit team found PBC to have no findings of non-compliance with twenty six (26) applicable requirements. The audit team determined that nine (9) requirements were not applicable to PBC.

These audit results are further explained in the Audit Results Findings section of this report which includes detailed information of the audit team's findings of applicability and compliance for the NERC Reliability Standards within the scope of the compliance audit. There were not ongoing or recently completed mitigation plans and therefore none were reviewed by the audit team.

The Florida Reliability Coordinating Council, Inc. (FRCC) audit team lead certifies that the audit team adhered to all applicable requirements of the NERC Rules of Procedure (ROP) and Compliance Monitoring and Enforcement Program (CMEP).\*

Any Possible Violations were processed through the NERC CMEP.

The following is a link to the general NOP page located on the NERC public website:

[Enforcement Actions](#)

## Audit Process

The compliance audit process steps are detailed in the NERC CMEP. The NERC CMEP generally conforms to the United States Government Accountability Office Government Auditing Standards and other generally accepted audit practices.

## Objectives

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\* This statement replaces the Regional Entity Self-Certification process.

All Registered Entities are subject to an audit for compliance with all reliability standards applicable to the functions for which the Registered Entity is registered.<sup>†</sup> The audit objectives are to:

- Review compliance with the requirements of reliability standards that are applicable to PBC, based on the functions that PBC is registered to perform;
- Validate compliance with applicable reliability standards from the NERC 2010 Implementation Plan list of actively monitored standards, and additional NERC Reliability Standards selected by FRCC;
- Validate compliance with applicable regional standards from the FRCC 2010 Implementation Plan list of actively monitored standards;
- Validate evidence of self-reported violations and previous self-certifications;
- Observe and document PBC's compliance program and culture.

### ***Scope***

The scope of the compliance audit included the NERC Reliability Standards from the FRCC 2010 Implementation Plan.

At the time of the audit, PBC was registered for the function of Generator Operator. The audit team evaluated PBC for compliance during the period of June 18, 2007 to November 3, 2010.

### **Confidentiality and Conflict of Interest**

Confidentiality and conflict of interest of the audit team are governed under the FRCC Delegation Agreement with NERC, and Section 1500 of the NERC Rules of Procedure. PBC was informed of FRCC's obligations and responsibilities under the agreement and procedures. The work history for each audit team member was provided to PBC. PBC was given an opportunity to object to an audit team member's participation on the basis of a possible conflict of interest or the existence of other circumstances that could interfere with an audit team member's impartial performance of duties. PBC had not submitted any objections by the stated fifteen day objection due date and accepted the audit team member participants without objection. There have been no denials of or access limitations placed upon this audit team by PBC.

### ***Methodology***

The audit team reviewed the information, data, and evidence submitted by PBC and assessed compliance with requirements of the applicable reliability standards. Submittal of information and data were sent to FRCC sixty (60) days before the scheduled date of the entity review. Additional information relevant to the audit could be submitted until the conclusion of the exit briefing. After that date, only data or information which was relevant to the content of the report or its finding can be submitted upon agreement by the audit team lead.

The audit team requested and received additional information and sought clarification from subject matter experts during the audit.

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<sup>†</sup> North American Electric Reliability Corporation CMEP, paragraph 3.1, Compliance Audits

The audit team reviewed documentation provided by PBC. Data, information and evidence submitted in the form of policies, procedures, e-mails, logs, studies, data sheets, etc. which were validated, substantiated and cross-checked for accuracy as appropriate. Requirements which required a sampling to be conducted were developed based upon the significance of the sampling to the reliability of the bulk electric system (BES).

Findings were based on the audit team's knowledge of the BES, the NERC Reliability Standards and their professional judgment. All findings were developed based upon the consensus of the audit team.

### ***Company Profile***

The Palm Beach Resource Recovery Corporation facility was designed to reduce the volume of the Palm Beach County's wastes, generate electricity, and maximize the recovery of aluminum and ferrous metals.

The facility processes up to 2,000 tons of household and business trash (called municipal solid waste or MSW) per day, operating seven days per week. It is comprised of three operating plants: a refuse derived fuel (RDF) processing plant, a combustion plant which includes pollution control equipment, and a turbine generator plant.

The facility, which encompasses approximately 40 acres of a 1,320-acre Solid Waste Authority of Palm Beach County-owned tract, employs approximately 160 full-time employees, and approximately 60 full-time contract workers.

Waste, which is collected from homes and businesses in Palm Beach County is delivered to transfer stations, then transported by large trailers to the resource recovery facility. Any hazardous materials are separated from the waste at the transfer station for appropriate disposal. Waste is delivered inside a large building, loaded onto conveyor where tires and oversized bulky waste is removed. The waste is then shredded, and ferrous materials are removed by a magnet system. After size separation, aluminum cans are removed as the material travels over the conveyors. A final shredding and separation process produces combustible RDF and non-combustible residue. The RDF is then combusted in a furnace to create steam, which is then used to generate 60 megawatts of electricity that is sold to Florida Power & Light.

The facility was built by a joint venture of Babcock & Wilcox and Bechtel Civil, Inc., and is operated by Babcock & Wilcox under a long term contract.

### ***Audit Participants***

The following is a listing of all personnel from the Audit Team and PBC who were present during the meetings or interviews.

#### **Audit Team Participants**

<b>Role</b>	<b>Title</b>	<b>Entity</b>
Audit Team Lead	Compliance Engineer	FRCC
Team Member	Compliance Auditor	FRCC

#### **PBC Audit Participants**

<b>Title</b>	<b>Entity</b>
Director of Plant Engineering and Facility Maintenance	Solid Waste Authority of Palm Beach County
General Facility Manager	PBC
Engineering Manager	PBC
Operations Manager	PBC
Power Plant Shift Supervisor	PBC
Technical Specialist	PBC
Control Room Operator	PBC

### **Audit Results**

The audit team evaluated PBC for compliance with thirty five (35) requirements in the 2010 NERC Compliance Monitoring and Enforcement Program (CMEP). The audit reviewed NERC Reliability Standards for the period of June 18, 2007 to November 2, 2010. PBC submitted information and documentation for the audit team's evaluation of compliance with requirements. The audit team reviewed and evaluated all information provided by PBC to assess compliance with standards applicable to PBC at this time.

Based on the information and documentation provided by PBC, the audit team found PBC to have no findings of non-compliance with twenty six (26) applicable requirements. The audit team determined that nine (9) requirements were not applicable to PBC. An audit report will be prepared to document these findings and the FRCC Director of Compliance will approve the final report.

### ***Findings***

The following table details the findings for compliance for the scope identified for this audit.

<b>Reliability Standard</b>	<b>Requirement</b>	<b>Finding</b>
CIP-001-1	1	No Findings
CIP-001-1	2	No Findings
CIP-001-1	3	No Findings
CIP-001-1	4	No Findings

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Has Been Removed

COM-002-1	1	No Findings
IRO-004-1	4	No Findings
IRO-005-2	13	No Findings
NUC-001-2	1	Not Applicable
NUC-001-2	2	Not Applicable
NUC-001-2	3	Not Applicable
NUC-001-2	4	Not Applicable
NUC-001-2	5	Not Applicable
NUC-001-2	6	Not Applicable
NUC-001-2	7	Not Applicable
NUC-001-2	8	Not Applicable
NUC-001-2	9	Not Applicable
PRC-001-1	1	No Findings
PRC-001-1	2	No Findings
PRC-001-1	3	No Findings
PRC-001-1	5	No Findings
TOP-001-1	3	No Findings
TOP-001-1	6	No Findings
TOP-001-1	7	No Findings
TOP-002-2a	3	No Findings
TOP-002-2a	13	No Findings
TOP-002-2a	14	No Findings
TOP-002-2a	15	No Findings
TOP-002-2a	18	No Findings
TOP-003-0	1	No Findings
TOP-003-0	2	No Findings
TOP-003-0	3	No Findings
VAR-002-1.1a	1	No Findings
VAR-002-1.1a	2	No Findings
VAR-002-1.1a	2.1	No Findings
VAR-002-1.1a	2.2	No Findings
VAR-002-1.1a	3	No Findings
VAR-002-1.1a	3.1	No Findings
VAR-002-1.1a	3.2	No Findings
VAR-002-1.1a	5.1	No Findings

***Compliance Culture***

PBC's compliance culture was not reviewed by the audit team.