

4 February 2015

City Clerk
 City of Hamilton
 Hamilton City Hall
 71 Main St. West
 Hamilton, ON L8P 4Y5

Reference No. 084692

Dear Sir/Madam:

Re: Port Fuels & Materials Services, Inc.
 Energy-From Waste Project
 Port of Hamilton, Ontario

As you are aware, Port Fuels & Materials Services, Inc. (PFMSI) is proposing to develop an Energy-From-Waste (EFW) facility (as defined by MOECC regulations) on a parcel of leased land on Pier 15 in the Port of Hamilton, Ontario. The purpose of this letter is to provide a summary of the Environmental Screening Process that has been carried out for this project to-date, in accordance with the Waste Management Projects Regulation (O. Reg. 101/07) of the *Environmental Assessment Act*, including an overview of the environmental studies completed and the public consultation process. It is supportive of and a continuation of our prior presentation to the City Council Board of Health. Additionally, this letter reviews the Elevation/Part II Order Request protocol for projects subject to an Environmental Screening Process and highlights the City of Hamilton's involvement in the project to-date.

Environmental Studies Conducted

The Environmental Screening Process was undertaken to determine the advantages and disadvantages associated with developing an EFW facility on a 17 acre parcel of leased land on Pier 15 in the Port of Hamilton, utilizing gasification-based technology known as the Gasplasma® process and a conventional direct plasma process, and the site would be a net energy producer. As part of the Environmental Screening Process (ESP), numerous studies were undertaken to describe the local environment and, based on the results of these studies, the potential impacts of the proposed facility on the surrounding environment were assessed. Opportunities for mitigation of any potential impacts to the surrounding environment and recommended monitoring of the area were also considered. The results of these studies are summarized in the table below and extensive documentation of the technical discipline studies is appended to the Environmental Screening Report and is available in full detail on the PFMSI web site:

STUDIES	RESULTS
Design & Operations Report	Provides detailed description of the proposed facility and technology
Surface Water Assessment	Mitigates and controls surface water on-site and in site vicinity
Geology & Hydrogeology Assessment	Improvement to engineered and surface water controls will prevent impacts to groundwater

STUDIES	RESULTS
Land Use & Socio-Economic Assessment	Meets all Land Use requirements
Acoustic (Noise) Impact Assessment	Meets Ministry of the Environment and Climate Change (MOECC) Guidelines for noise limits
Air Quality Assessment*	Will comply with Ontario's Guideline A7 for thermal waste treatment facilities and Ontario Regulation 419/05 air quality standards
Natural Environment Assessment	Will not have an effect on surrounding Natural Environment
Cultural Heritage Assessment	Meets Ontario Heritage guidelines
Traffic Assessment	Overall capacity of intersection is expected to remain at or below 35% of its maximum traffic capacity
<p><i>*Based on the feedback and input received at the 1st Open House, PFMSI added a Human Health Risk Assessment (HHRA) to the list of studies to be completed, which forms an Appendix to the Air Quality Assessment. The HHRA shows that the proposed facility's emissions as they relate to Human Health are below the MOECC's target levels.</i></p>	

Based on the above, PFMSI has met or exceeded all requirements as set out by the appropriate Regulations governing a particular discipline. In addition, we have exceeded the minimum requirements of the ESP under the Environmental Assessment Act, by completing additional studies as well as undertaking additional consultation as required.

Public Consultation

Consultation is a hallmark of the Environmental Screening Process. Stakeholder groups that have been consulted as part of the ESP include: the City of Hamilton; Government Agencies; Aboriginal Communities; environmental groups; local community groups; the local business community and the public. PFMSI has consulted with these stakeholder groups in a number of ways, ranging from verbal communication, email correspondence and the delivery of presentations, to the organization of consultation events.

The major consultation milestones held and organized by PFMSI (including two Public Open House events and a number of other consultation and engagement events) took place over the course of the Environmental Screening Process. A commitment was made at the first Open House that, if requested, PFMSI would meet with groups who had further questions or concerns to discuss their specific issues. This resulted in an open, two-way dialogue between PFMSI and the local community and has facilitated information sharing between the two parties (i.e., PFMSI educating interested parties about the technology and local community groups providing input on their concerns, their neighborhood, etc.). Individual meetings with a specific stakeholder or stakeholder groups occurred throughout the Environmental Screening Process and separate meetings were held with: Environment Hamilton; Clean Air Hamilton, Keith Community Hub Association; and, Sherman Hub Community Planning Team. In addition, PFMSI made a presentation to the City of Hamilton's Board of Health. A Community Liaison Committee (CLC) was also established following the first Open House to facilitate additional dialogue between a smaller group of citizen and community stakeholder representatives and PFMSI. It should be noted that a CLC is not a requirement of the ESP or mandatory for PFMSI project development; however, PFMSI believed strongly in the opportunity to have an engaged group of stakeholders providing honest and constructive feedback throughout the Environmental Screening Process.

Through the consultation process, we have had many discussions on the project with many neighborhood community groups. It should be noted that the major neighborhood hub groups are well represented on the CLC, including the Keith Neighborhood Hub, the South Sherman Hub, and GALA.

We have received numerous support for our proposed project including McMaster University, former Ward 3 Councillor Bob Morrow and we also have a letter of support from one of the neighborhood groups, the Keith Hub and have attached their letter for your information. They are the Hub closest to the proposed location of the facility. In addition to this letter, we have the full support of Hamilton Port Authority (HPA) as noted by their presence and support at the PFMSI presentation to the City Council Board of Health. This PFMSI proposed Facility will benefit the local industry in the Port, providing competitive and unsubsidized energy and waste mitigation. It will also provide the basis for an industrial cluster around the proposed site at HPA with additional programs of research and development (R&D) with McMaster University, and solid oxide fuel cell (SOFC) development and manufacturing, creating additional jobs and attracting other high tech industry.

Part II Order Requests

Under the Environmental Screening Process, any person may submit a request to the MOECC Director (with a copy to PFMSI) that the project be made subject to an order under Part II of the *Environmental Assessment Act*, requiring the project to undergo an individual environmental assessment. Part II Order requests may be submitted after the proponent issues the Notice of Completion and within the specified review period outlined in the notice (i.e., December 22, 2014 – February 27, 2015). Should an elevation request be submitted within the specified review period the MOECC will review the Environmental Screening Report in order to make a determination as to whether or not the elevation request is warranted. Elevation requests must include the following:

- Request that the project be elevated to an individual environmental assessment
- Basis for the request
- Nature of the specific environmental concern(s) that remains unresolved
- Benefits of requiring the proponent to undertake an individual environmental assessment
- Information about any efforts to discuss/resolve concern(s)/environmental effect(s) with the proponent
- Details of any correspondence between the person and the proponent

The above was outlined in the Notice of Completion (NOC) and we have attached this Notice for your information. We had consistently noted in all meetings and correspondence that the NOC would be completed and the ESP submitted before the end of the 2014 calendar year. This was done on 22 December 2015.

We believe throughout the Environmental Screening Process, that we have documented the rationale behind this particular proposed site location. As a private developer, PFMSI does not own other land in proximity to its current Site that has been identified as suitable for new EFW facility, nor does the company have the ability to expropriate land for a new site, thus making this option of looking at another site unfeasible. This would be the purpose of an Individual EA, however for this particular project, it is not necessary due to the above, and the relationship developed with HPA and the proximity to waste within HPA lands/energy back to HPA lands. We believe all technical areas have already been expanded to the level of the EA and the only difference of the EA from our submitted ESP would be for PFMSI to review in detail these alternate locations but we would prefer to remain in Hamilton.

It should be noted that city staff have not expressed any technical issues or concerns to PFMSI to date, other than the question around the current zoning designation for the proposed site. We have had initial meetings with the City Planning Office and this will be satisfactorily resolved.

It should also be noted that the request for a voluntary extension to the commenting period has been presented by the City with 23 days left in the legislated 60 day review period but we do not believe all this time is required. We are already working directly with the City's designated environmental consultants. The first step was to look at their proposed schedule and eliminate the majority of their down time by working directly with them and have sent them our revised schedule. We are resolving 89 questions from them that have been received to date. I and my Team are currently in Swindon, UK, working with the technical staff at our Gasplasma® facility. We also have a detailed face-to-face meeting with the WSP experts next week and plan to respond to these 89 questions and all questions during the remaining period.

PFMSI are committed to working with the City and WSP in order for them to complete their review on time. Currently this should allow WSP to complete their Report to you by 27 February 2015. It is then understood that you will use the month of March for your internal reviews.

Yours truly,



Robert M. Clark
Rear Admiral, US Navy (Ret)
Chief Operating Officer
Port Fuels & Materials Services, Inc.

KEITH HUB WELCOMES PORT FUELS GASPLASMA PLANT

February 2, 2015 – After a thorough examination of the technology, the Keith Community Hub has no objections to the Gasplasma energy-from-waste plant proposed by Port Fuels and Materials Services Inc., at the suggested location and in fact welcomes the jobs and economic potential of the project.

The Keith neighbourhood will be the community in the closest proximity to the Gasplasma plant. It was important for the hub members to understand how Gasplasma works, what PFMSI's business model is and how our neighbours might be affected. The health of Hamilton residents was our primary concern.

“After working closely with the company and its environmental consultants to get a strong understanding of the project and discussing our concerns, we are satisfied that the data shows there will be no unhealthy effects on residents of the Keith neighbourhood,” said Stephen Rowe, Keith Community Hub lead on this project. “We also welcome the potential of 30 to 50 good-paying jobs for our neighbours at the new plant, as well as the potential for multiple spinoff jobs.”

This was not a decision the Keith Hub reached lightly. The decision came after extensive efforts to read about and understand the science behind this facility. The Keith Hub paid attention to all sides of the debate over the plant. We had, and continue to have, open and candid conversations with PFMSI and their consultants to ensure our questions were answered and that we had a full understanding of how the Gasplasma process works and what impact it will have on our neighbourhood.

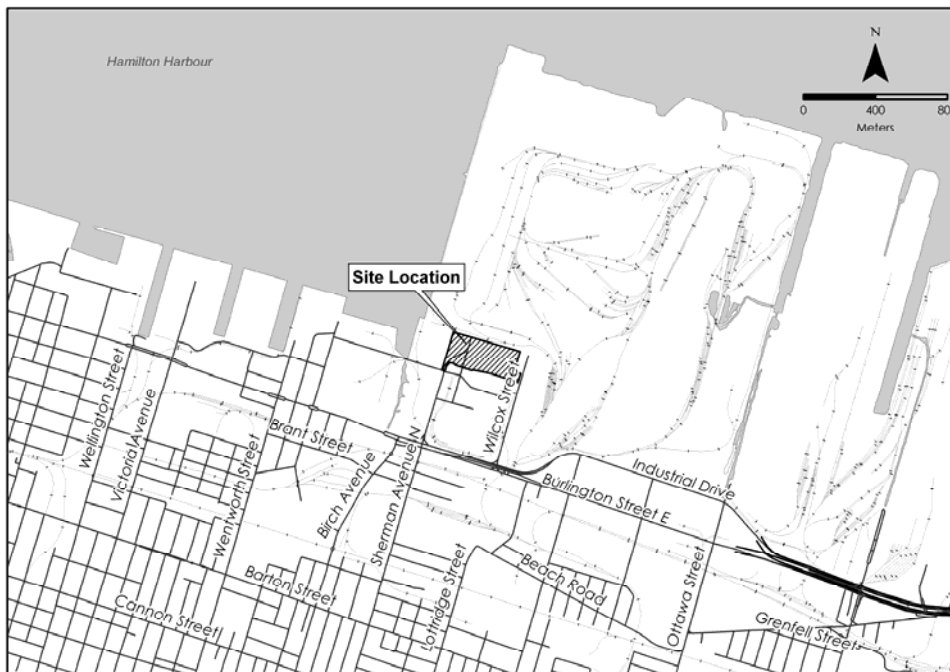
The Keith Hub is Hamilton's most industrialized neighbourhood and has a large concentration of green industrial jobs. We feel the Gasplasma plant is consistent with growing that aspect of the community while offering new job opportunities and economic spinoff. On those grounds, the Keith Hub has elected to support the project.

Notice of Completion

Environmental Screening under the Ontario Environmental Assessment Act

Port Fuels & Materials Services, Inc. – Energy From Waste Facility

Port Fuels & Materials Services, Inc. (PFMSI) has completed an Environmental Screening process in accordance with the Waste Management Projects Regulation (Ontario Regulation 101/07) of the *Environmental Assessment Act* in order to permit and develop an Energy-From-Waste (EFW) facility with its Gasplasma® process. The proposed site would be on a parcel of leased land on Pier 15 in the Port of Hamilton, Ontario (see **Site Location** below).



The Gasplasma® process is an advanced thermal conversion technology developed to treat wastes and convert them into synthetic gas (syngas) and electrical energy. The core technology enables the conversion of waste materials to a clean syngas that can be used directly for production of heat, for the generation of electricity, or to substitute for natural gas. The Gasplasma® process is an energy efficient process, minimizing energy inputs through innovative process design, and capturing excess energy for re-utilization. Gasplasma® technology has the capability to process a wide variety of waste streams,

and for the purposes of this undertaking, the EFW facility would receive a mix of industrial, commercial, and institutional waste; construction and demolition waste; biosolids; biomass; non-recycled tire residue; municipal solid waste; and other non-hazardous waste streams. It is anticipated that the proposed facility would receive and process up to 170,000 tonnes per year of non-hazardous waste using the Gasplasma® process and 30,000 tonnes per year using a conventional direct plasma process.

The Environmental Screening process included studies of the natural, social, cultural and built environment; the identification, description and assessment of potential environmental effects, mitigation measures and net effects; and an assessment of advantages and disadvantages to the environment. Comprehensive consultation with the public, government agencies and Aboriginal communities was also included as part of the Environmental Screening process. The Screening concluded that the project will have no adverse environmental effects that cannot be addressed through the application of mitigation measures and that the advantages of proceeding with the project outweigh any identified disadvantages. The project proponent intends to proceed with the implementation of mitigation measures and to seek all other approvals required under other statutes.

An electronic copy of the Environmental Screening Report may be found on the project website at www.pfmsi.com. Printed copies of the report may be viewed at the following locations within the City of Hamilton:

Office of the City Clerk
71 Main St. W., 1st Floor
Hamilton, ON L8P 4Y5
Tel: 905 546-2489

Barton Branch, Hamilton Public Library
571 Barton Street East
Hamilton, ON L8L 2Z4
Tel: 905-546-3450

MOECC Hamilton District Office
9th Floor, 119 King Street W.
Hamilton, ON L8P 4Y7
Tel: 905-521-7650

Any person may submit a request to the Director, Ministry of the Environment, **with a copy to the proponent**, that the project be made subject to an order under Part II of the Environmental Assessment Act, requiring the project to undergo an Individual Environmental Assessment.

Elevation requests must include the following information:

- the name of the project and proponent
- the basis of the request
- that the project be elevated to an individual environmental assessment
- the nature of the specific environmental concerns that remain unresolved
- the benefits of requiring the proponent to undertake an individual environmental assessment
- information about any efforts to discuss/resolve these concerns/environmental effects with the proponent
- details of any correspondence between the person and the proponent
- any other matters considered relevant by the requesting person

Elevation requests must be received by the Director no later than **Friday February 27, 2015** at:

Director, Environmental Approvals Branch
Ministry of the Environment and Climate Change
2 St. Clair Ave. West, Floor 12A, Toronto, ON M4V 1L5

General inquiries can be directed to:

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All personal information included in a submission – such as name, address, telephone number and property location – is collected, maintained and disclosed by the Ministry of the Environment and Climate Change for the purpose of transparency and consultation. The information is collected under the authority of the Environmental Assessment Act or is collected and maintained for the purpose of creating a record that is available to the general public as described in s.37 of the Freedom of Information and Protection of Privacy Act (FIPPA). Personal information you submit will become part of a public record that is available to the general public unless you request that your personal information remain confidential. For more information, please contact the Ministry of the Environment and Climate Change's Freedom of Information and Privacy Coordinator at (416) 327-1434.

This Notice dated: December 22, 2014