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Open Letter by

Robert M. Clark, Chief Operating Officer
Port Fuels and Materials Services Inc.

A Local Solution to Local Waste

Port Fuels and Materials Services Inc. (PFMSI) is proposing a Gasplasma® energy-from-waste facility near the Port of Hamilton because we know it will be a game-changer for the city's industrial area. Hamilton has a significant institutional, commercial and industrial (ICI) waste problem and we are presenting a solution based on the clean application of well-tested technologies: gasification and plasma conversion.

We have been diligent in addressing all of your concerns. We have been open and transparent. We have fully answered your questions promptly and professionally.

We are writing this open letter directly to the Hamilton community because it's important for Hamiltonians to have the facts about our proposed Pier 15 facility.

Waste management from day one

The City of Hamilton's bylaws define thermal treatment as any process that transforms waste into a waste-based fuel by heating, including energy-from-waste activities. Those bylaws define thermal treatment operations like Gasplasma® as waste processing facilities.

When PFMSI issued our Notice of Commencement on 3 April 2014, we said we would carry out the Environmental Screening process through the Ontario Waste Management Projects Regulation (Reg. 101/07) of the Environmental Assessment Act and the Guide to Environmental Assessment Requirements for Waste Management Projects. Under Regulation 101/07, our waste management project is defined as a thermal treatment site. The definition of our facility and the municipal bylaws has not changed since this discussion began.

Similarly, in our discussions with the City, we have always made it clear that this waste processing facility and the city's bylaws agree. The City of Hamilton's bylaws define thermal treatment as any process that transforms waste into a waste-based fuel by heating, including energy-from-waste activities. Those bylaws define thermal treatment operations like Gasplasma® as waste processing facilities.

Hamilton's existing waste problem

Hamilton is like most modern industrial cities and already has an ICI waste problem. Our facility will help to rectify this industrial waste problem.

Right now, most of the Hamilton generated ICI waste is disposed of at the Stoney Creek Landfill, which is set to close in 8-10 years, and will generate methane which is 20 times greater than CO2. Some of the Hamilton generated ICI waste is also trucked across the border with a large carbon emission footprint to Michigan, Pennsylvania and New York. However, the US State

Legislatures are tightening their import rules. Regardless of the final geographic location, landfilled waste is not recycled, reused or recovered. In essence, it is a lost resource!

We believe that any effort to perpetuate the problem of Hamilton's industrial waste being sent to landfill is no solution at all.

We've also made it clear that we will ONLY process non-hazardous waste. This will come from Hamilton area, and there is far more of it than our facility could possibly handle. We have very little doubt that most of our waste management customers are right here in Hamilton's industrial port and adjacent industrial area. This is a local waste solution for a local waste problem.

Driving the economy

The facility will also provide numerous additional green economy opportunities for Hamilton on a number of fronts. It will provide a local source of electrical power produced from the waste of the very customers who created the waste. It will also provide heat to adjacent industrial customers who need the heat for their processes.

It is approximately a \$100-million investment, creating 100 construction jobs and 30 to 50 full-time cleantech green economy jobs, additional spinoff jobs and approximately \$500,000 annually in municipal tax revenue. All of these factors have been identified as critical to the city's growth and development.

We plan to extend and expand our relationship with Hamilton and assist the City with its environmental and economic concerns. Once up and running, we plan to invest in a solid oxide fuel cell manufacturing facility to the port lands to continue building a cleantech manufacturing hub for the new green economy.

The incineration myth

We have also been clear from the outset that we're not building an incinerator, and anyone that tells you that gasification is the same as incineration is simply being misleading or using extremely outdated science or special interest group's definitions.

Incineration burns waste. Gasplasma® does not. An incinerator uses a flame to directly combust waste to create energy.

Our facility will convert waste into raw synthetic (syngas) gas and clean the syngas with plasma technology. Only clean syngas will be used to create energy.

The science is already there

PFMSI has been responsive to the community. We have met with community neighbourhood groups frequently. We voluntarily organized a Community Liaison Committee (CLC) that meets regularly (5 meetings to date). After our first Open House on 17 April 2014, we added a Human Health Risk Assessment study to the Environmental Screening Report as a direct response to a community concern. Under provincial regulations, a Human Health Risk Assessment is not

required for this project; however, we have included this since we feel it is important to demonstrate that our facility will have no health impacts.

PFMSI has already conducted all the same technical studies as would be required in an Individual Environmental Assessment (EA), which has been referred to in media reports as a Full EA. The level of detail, analysis and evaluation during this process has been to a level on par with an Individual EA. The significant difference between an individual EA and the Screening EA that we have conducted for the proposed Pier 15 location would be to conduct the same set of studies at alternative site locations. Since PFMSI has no other property in Hamilton, this is not a feasible option, and since we are confident in our science, it is also unnecessary. Requiring this project to undergo an Individual EA would not serve to protect the environment or the public interest and more than the current Environmental Screening is doing.

The Environmental Screening Report and the Human Health Risk Assessment found the port facility complies with the Province of Ontario's emissions standards, and in fact falls well inside provincial emissions ceilings. We also accounted for Hamilton's existing air shed when we measured our facility's air quality impact.

We have agreed to a voluntary 60-day extension for the City of Hamilton so another set of peer reviewers could assess the studies. This extension decision was granted from PFMSI and the MOECC acknowledged our decision formally to the City.

Ensuring Hamilton breathes easy

The Human Health Risk Assessment has evaluated all potential air emissions from the facility, including engine combustion products (such as carbon monoxide, nitrogen oxides and particulate), trace contaminants and nano-particles (ultra-fine particulate). The HHRA assessed the PFMSI emissions in addition to the existing ambient air shed concentrations for a cumulative assessment and the study has concluded that there are no health concerns resulting from the emissions of the proposed facility.

Continuing the conversation

Our vision is to build a cleantech hub in the Port of Hamilton. We want to build clean industry in Hamilton and act as an engine of a new, clean, modern, green economy.