

June 20, 2008

Mayor Larry O'Brien, City of Ottawa, 110 Laurier Street, Ottawa, Ontario K1P 1J1

Re: As per your request – Our thoughts on Plasco Energy Test Project

Dear Mayor O'Brien;

The purpose of this letter is to formalize remarks I made to you as we discussed the Plasco Energy test, during our meeting of Wednesday June 18, 2008.

Let me begin by restating our recommendation. That given the delays in this test project and the extremely limited performance to date, the City seek a 1 year delay in the royalty agreement arrangement, to July 1 2009.

Let me also, if I may, remind you of the importance of waste diversion vs. burial or any type of currently available thermal technology. That the majority, 60% or more, of so-called residual waste is comprised of; metal, glass, stone, foodscraps and recyclable material that wouldn't or shouldn't be burnt. (See attached chart showing the composition of the 40% "residual" waste which the Regions of York and Durham wish to burn) In our view, diversion rates of 70% are easily attainable under current conditions and that with changes in policies and practices at the Federal and Provincial levels, examples being packaging legislation and furniture and mattresses diversion respectively, rates of 90% are achievable.

In our view currently available thermal technologies are a;

Highly inefficient means to make electrical power – provide only 1 - 2% of needs, Costly means to make power - (\$150 - \$250 per ton of waste),

Net, significant, contributor to Greenhouse Gases – vs. diversion

Produce emissions, including smog,

Produce by-products that may require disposal – including bottom and fly ash and slag.

and perhaps most importantly,

Divert your three most precious commodities, time, money and ideas away from diversion.



That having been said we are aware that Plasco promises somewhere in the neighborhood of five times the energy production, at something in the neighborhood of ½ the price (although this does seem to be going up) while maintaining much lower than expected emission levels. All unproven, to-date, of course.

Which leads me to the meat of the matter. Plasco was intended as a test facility, in addition to being 6 - 12 months behind schedule, the fact is to date, very little testing has been accomplished.

Though our review of the Monthly Engineers report and other information sources the follow picture emerges;

Operating at 10% or less of rated capacity - 7.5 tons per day vs. 75, Sending back to the City approximately 50% of the waste being received, Has yet to run for 24 hours continuously, Has operated for a total of just 10 days, And perhaps most importantly, Has produced 1 hour of power!

This clearly indicates that forging ahead with a deal, no matter how many conditions are applied, just isn't a prudent use of time and other resources.

We recognize that there is a financial gain for the City by signing a letter of commitment by July 1, 2008. But this of course is a <u>Plasco dedicated deadline</u> which it seems to us the City could quickly and easily renegotiate to July 1, 2009, given the above noted delays and limited performance.

Let's test, as intended.

Thanks for seeking our input on this important matter. Good luck with your deliberation.

Rod Muir Waste Diversion Campaigner The Sierra Club of Canada



COMPOSITION OF THE 40% OF SO-CALLED "RESIDUAL" WASTE (AFTER 60% DIVERSION)

Ferrous Non- Glass Metal Contai	-Combustible ners	Sub-total	10.9% 3.9 <u>2.4</u> 17.2	White Goods, E-waste, Bulky Items
Food & Pet Waste Leaf and Branches		Sub-total	18.1 4.3 22.4	
HHW			.3	
Textiles			<u>2.4</u>	
		Sub-total	<u>42.3</u>	
Paper	Recyclable Non-Recyclab	le	15.0 11.7	Compostable & Sanitary Products
		Sub-total	<u>26.7</u>	
Plastic Recyclable Film Mixed			3.0 2.4 <u>6.8</u>	
		Sub-total	<u>12.3</u>	
Paper & Plastic Sub-total			<u>39.0</u>	
Combustible			18.6	
Grand Total			<u>99.9</u>	

York/Durham "Residual" Waste Study Supplement to Annex E-5 Comparative Analysis of Thermal Treatment and Remote Landfill of Lifecycle Basis July 4, 2007

Genivar and Jacques Whitford