

Ministry of the Environment

Ottawa District Office

2430 Don Reid Drive
Ottawa ON K1H 1E1

Tel: (613) 521-3450
Fax: (613) 521-5437

Ministère de l'Environnement

Bureau de district d'Ottawa

2430, rue Don Reid
Ottawa ON K1H 1E1

Tél. : (613) 521-3450
Télec. : (613) 521-5437



July 21, 2011

Plasco Trail Road Inc.
1000 Innovation Drive,
Suite 400
Kanata, Ontario
K2K 3E7

Attention: Mr. Rod Bryden, CEO

Dear Mr. Bryden:

Re: Plasco Trail Road – Final Assessment Report

Under Regulation 254/06 and Certificate of Approval Waste Disposal Site 3166-6TYMDZ, Plasco was required to complete and submit a Final Assessment Report to the Ministry of the Environment. On March 18, 2011, Plasco provided the required Final Assessment Report for the demonstration period between January 2008 and January 2011.

Staff at the Ministry's Environmental Assessment and Approvals Branch and the Ottawa District Office have reviewed the Final Assessment Report and determined the report satisfies the requirements of both the Regulation (Section 20) and Certificate of Approval (Condition 66).

The following are comments and clarifications related to the Final Assessment Report for the Plasco Trail Road demonstration facility:

Program Approvals

During the demonstration period, Plasco requested and received Program Approvals, four in total, from the ministry after identifying elevated Organic Matter (THC) emissions from the on-site engines. The intent of the Program Approvals was to allow Plasco to operate the engines at levels above the regulated limit for THC under specific conditions to facilitate testing of measures designed to reduce the levels of THC exhausted from the engines.

The Ministry acknowledges Plasco operated in compliance with the Program Approvals over the demonstration period. The emission limits of the Program Approvals were not as stringent as the emission limits set out within the Regulation and Certificate of Approval. Plasco ultimately elected to eliminate engine emissions altogether by redirecting engine exhaust through the flare as a means of addressing the elevated engine THC.

Compliance Inspections

Compliance inspections were completed by the Ministry on a number of occasions over the duration of the three-year demonstration period.

- Non-hazardous Waste Transfer Processing: *January 2008, March 2009 & March 2011*
- Air Facility: *January 2008, March 2009, March 2010 & March 2011*
- Subject Waste Generator: *January 2008, November 2008, September 2009 & March 2011*

The Ministry provided Plasco with inspection reports documenting the Ministry's assessment of compliance with legislative requirements at specific points during the demonstration period. The Ministry acknowledges that corrective measures were taken by Plasco in an effort to address identified non-compliance issues contained in the inspection reports.

Maximum Emission Exceedences

Over the duration of the demonstration period, Plasco documented and reported 20 exceedences of the maximum emission limits as set out in the Regulation and Certificate of Approval (CofA). For two of these exceedences, the Cessation of Discharge Protocol was triggered. Plasco took the appropriate measures in response to all such incidents including reporting to the Ministry in accordance with regulatory and certificate of approval reporting requirements.

Plasco also elected to pre-emptively declare a Cessation of Discharge on four additional occasions during the demonstration period and re-zero the continuous emission monitoring system during these occasions. Plasco responded to these instances by implementing a variety of corrective actions in an effort to improve overall emission quality.

Source Testing & Continuous Emission Monitors (CEMs)

Plasco received, under separate cover dated June 3, 2011 and June 7, 2011, results of the Ministry's review of Source Testing information collected by Plasco in December 2010 and supporting information for CEMs operated over the duration of the demonstration project.

Plasco has demonstrated compliance with source testing requirements and limits imposed for 6 of 9 parameters assessed through source testing. The Ministry was unable to verify compliance with 3 parameters assessed through CEMs during source testing due to insufficient data during the period of the testing.

Methane and Non-Methane Hydrocarbons (NMHC)

During the demonstration period Plasco approached the ministry on several occasions seeking concurrence to exclude the parameter of methane from being measured as part of THC emissions from the engines at Plasco Trail Road. Dale Henry, Director of Standards Development Branch, responded to Plasco in a letter dated October 22, 2010, confirming Plasco was required to include methane in measurements for THC at the Plasco Trail Road facility during the demonstration period.

Mr. Rod Bryden, CEO

July 21, 2011

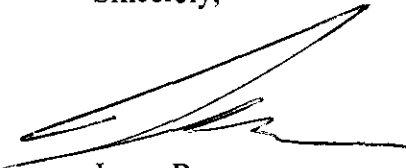
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Permanent Operation: Plasco Trail Road

Plasco has initiated the Environmental Screening Process under Ontario Regulation 101/07 as set out in the MOE's *Guide to Environmental Assessment Requirements for Waste Management Projects*, to operate the Plasco Trail Road facility as a technology demonstration site. The Ministry recognizes the value of the original demonstration project and the information gained during this time will be of great value in the planning for the proposed permanent operation of this facility.

Should you have any comments, questions or wish to discuss any of the above, please contact me directly at (613) 521-3450, extension 224.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Ryan', with a long horizontal stroke extending to the left.

Jason Ryan
District Manager (A)