

REMASCO Kingsville Project

Opportunity Statement

REMASCO, Renewable Energy Management & Services Company, is incorporated under 2132656 Ontario Inc. REMASCO's corporate mandate is to identify, develop and secure sources of renewable solid fuels that can be used in an environmentally conscientious and economically viable manner to generate heat and power. In addition to having assessed a wide range of suitable, but not yet viable agricultural residues, REMASCO has entered into a twenty year contract with Dongara Pellet Plant LP under which REMASCO will receive, transport, store and utilize 60,000 tonnes/year of ENERPAX+™ fuel pellets and has the potential to expand this quantity should opportunities to expand occur. The ENERPAX+ fuel pellets will be manufactured in an MoE approved waste processing facility in York Region. The fuel pellet is to be derived from only clean-burning waste components, carefully selected from a post-source-separated municipal solid waste stream and supplemented with other clean burning, high calorific wastes sourced from industry.

REMASCO has operated a pilot gasifier system at the Southshore Greenhouse site since 2008 under a Provisional Certificate of Approval Waste Disposal Site Number 2887-7AAQTX Issue Date: May 2, 2008. This approval and subsequent amendments allowed the Company to develop a gasification system that provides thermal energy for heating the greenhouse complex. While the gasifier can utilize a wide variety of renewable fuels that could be exploited without the requirement that the facility have a waste certificate of approval, efforts over the development period have focused on using the ENERPAX pellets. Since the pellets have been classified as a waste by the MoE, any facility that uses them must have a Waste CofA.

After 30 months of work, the gasifiers have been proven to be efficient and reliable, and testing conducted according to the requirements of the Provisional CofA has shown that the facility is capable of meeting all the emission standards laid out in Guideline A-7 (revised October 2010). The two gasifiers currently installed at Southshore supplied hot water for the greenhouse during the 2009-10 heating season and again in the current winter. The system has allowed the greenhouse operators to offset some of the fossil fuel typically used for heating the facilities.

The success of the project has encouraged the proponent to plan full scale application of this technology to meet the majority of the thermal energy needs of greenhouses, including the potential establishment of a district heating system serving greenhouses operated by different growers. In the immediate future plans to expand the greenhouses operated by the Mucci Group will require the expansion of the existing gasifier boiler plant on the Southshore site. However, with a contracted supply of 60,000 tonnes of pellets per year, REMASCO must consider other opportunities to expand the use of its technology so that all the pellets can be used.

On the Southshore site, the opportunities for an expansion of activities include developing a power plant that can use the gasifiers/boilers in a co-generation mode to supply both electricity and heat to the Mucci Group greenhouses on and adjacent to the Southshore property. This would require



adding another 500 HP boiler/gasifier in the existing building to expand heating capacity, and building a separate power plant building to house four 500 HP gasifiers/high pressure boilers that can produce steam for power generation. Greenhouses consume significant quantities of electricity year round. This provides an opportunity for year round operation of the gasifiers and the four high pressure gasifiers proposed for the power plant would provide steam to drive a turbine/generator set for the 110 acres of greenhouses operated by the Mucci Group in the vicinity of the Southshore facility. With a total installed capacity of 3,300 Boiler HP, the Southshore site will consume 32,000 tonnes of pellets per year.

A company associated with Southshore and Mucci Farms, Agriville, (all three collectively hereinafter referred to as the Mucci Group) operates 60 acres of greenhouses approximately 4.5 km northwest of the Southshore site. Agriville has requested that 4 gasifiers, 2000 Boiler HP, be installed on its site to produce thermal energy. While the electricity use at Agriville is not large enough to warrant the installation of electricity generating equipment on that site, the thermal requirements of the site are anticipated to require another 20,000 tonnes per year of pellets.

The proponent is in discussions with other facilities to install gasifiers to provide energy from the additional pellets they have contracted to receive. The proponent recognizes that any new facility will require a Waste CofA. Since additional sites have not yet been identified, this Screening Environmental Assessment is focused on the Southshore and Agriville complexes.

The proponent has applied to have the existing approvals for the Southshore pilot facility extend until the summer of 2011 to allow the existing gasifiers to operate throughout the 2010-2011 heating season. It is the intent of the proponent to have some of the components of the new system operational for Fall 2011, with additional equipment being brought on line as it is manufactured.

The proponent has an opportunity to extend the application of it's technology to serve the needs of the greenhouse community in the Kingsville/Leamington area. The technology provides a clean heating system contrary to some of the uncontrolled coal and bunker oil facilities currently be utilized by growers, and it offers an opportunity to utilize the production of the Dongara Pellet Plant in a manner that has been proven to meet the standards of the MoE.