

# EA STUDY UPDATE

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- York/Durham have a 'Memorandum of Understanding' for an Environmental Assessment (EA) study for the disposal of waste (residue)
- In 2006 a "mass burn" type incinerator was proposed @ size 225,000 tonnes/year
- Diversion targets of 60% by 2011 and 75% by 2045
- Sites in Clarington and East Gwillimbury have been identified

# Issues Under Consideration by York Council

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York/Durham are currently renegotiating the Memorandum of Understanding for the EA. Two key issues are under discussion:

1. Ownership model: Public / Private
2. Put or pay tonnage commitment

# 1. Ownership model: Public / Private

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- Capital cost to build an incinerator is @\$1,000 per tonne; York's capital investment @\$100M - \$125M
- Durham wants to begin construction in 2009; Durham proposes 100% public ownership
- York council adopted a resolution on April 19, 2007 to consider an option to provide for a minority private sector ownership of the proposed incinerator. ( 49% )

## 2. Put or Pay Commitment

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- Durham has requested York provide a “put or pay” commitment of 50,000 tonnes per year (25 years) to the proposed incinerator in order that Durham can prepare an RFP
- A Regional staff Report on the ‘put or pay’ issue has been deferred to the June 13, 2007 Regional Solid Waste Committee.
- In order to assess the impact of the ‘Put or Pay’ request, it is necessary to determine how much residue will be available for disposal in the future and what is the most cost effective and environmentally sound disposal option.

# How much residue will there be?

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- In 2006: Region disposed of 194,000 tonnes  
( 39% diversion rate )
- By 2008: That volume would reduce to 140,000 tonnes once all municipalities have gone to 3-stream collection.

# 100,000 tonnes to Dongara Facility

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- 100,000 of these tonnes are committed to Dongara Developments in Vaughan
- Certificate of Approval received from MOE
- Opens July 2008 (under construction)
- 20 year contract at \$84/tonne
- The facility will remove contaminants and recyclables from the residual waste and grind it down into pellets that can be used as a burnable fuel source.
- Pellets can be used to produce steam, electricity, and as a coal / natural gas replacement in cement kilns

# New Ontario landfill provides opportunity

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- In addition, MOE has created 50M new tonnes of landfill capacity in Ontario including 13.8M tonne expansion of the Green Lane Landfill (outside London Ontario)
- Ontario has an estimated 125 million tonnes of landfill capacity
- In 2007, City of Toronto purchased the Green Lane Landfill
- York Region has a contract to use Green Lane until 2022 (upset limit of 75,000 tonnes per year)
- \$81/tonne

# Disposal Cost Comparison

## SUMMARY:

## Region estimate of 140,000 t by 2008

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|--------------|--------------|---------------------------------|
| ■ 75,000 t   | LANDFILL     | \$61 - \$81 t (contract)        |
| ■ 100,000 t  | DONGARA      | \$84 t (contract)               |
| ■ 50,000 t   | INCINERATION | \$120 - \$130 t (York)          |
| (put or pay) |              | \$102 - \$168 t (Niagara)       |
|              |              | (net @ 35% electricity revenue) |

# Long-term Cost of Put or Pay Landfill vs Incineration

	Annual Minimum Operating / Year	25 year Operating Cost
Ontario Landfill	50,000 X \$81 \$4,050,000	\$101,250,000  No Capital
Incineration	50,000 X \$120 \$6,000,000	\$150,000,000 plus @\$100,000,000 Capital 2008/9

# New landfill capacity provides buffer

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The opportunity of new public landfill capacity in Ontario provides a considerable amount of buffer to allow York Region time to:

- invest in diversion
- determine how much residue will or will not be available for disposal in the future
- determine if pellet manufacturing is a viable technology and cost of developing a second pellet facility in York

# Resolution

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WHEREAS, on May 19, 2006, Markham staff submitted comments on the 'Draft Report on Preferred Incineration Options' supporting Option #1 (landfill inert residue) as the system that provides:

- maximum diversion of non- renewable resources
- design flexibility to accommodate future increased diversion and reduced feedstock, and
- indicating that the maximum diversion of recyclables and non renewable resources out of the residue stream must be the paramount criteria for choosing a preferred long term waste management system

# Resolution

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AND WHEREAS the Region in partnership with Durham Region chose incineration as it's preferred long-term waste disposal technology and a 60% diversion target by 2011;

AND WHEREAS Markham Council has a strong environmental focus and an interest in all waste management issues affecting its residents and has established an aggressive diversion target of 70% diversion by 2006 and has achieved a 69% diversion rate and is continuing to invest in it's diversion programs with a goal of decreasing the amount of waste residue sent for disposal;

AND WHEREAS all York municipalities have committed to a Joint Diversion Strategy and a 65% diversion rate which will result in less waste residue for disposal in the near future;

# Resolution

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AND WHEREAS Durham Region has requested York Region to provide a put or pay commitment to supply 50,000 tonnes per year of waste residue to the proposed incinerator;

AND WHEREAS new approved landfill capacity in Ontario and pellet technology may provide a buffer in order to find more environmentally advanced, cost effective methods of disposal that provides security and flexibility to accommodate future residue composition;

THEREFORE BE IT RESOLVED THAT Markham supports York Region's plan to secure long term disposal capacity (in concert with Durham or other potential partners) for waste residue;

# Resolution

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AND THAT prior to finalizing any tonnage 'put or pay' commitments for the proposed incinerator, the Region of York be requested to prepare a detailed financial analysis containing cost comparisons of all waste management options including incineration, existing Ontario landfills (public and private) and the potential for a second pellet manufacturing facility located in York Region for the long term disposal of waste residue;

AND THAT a financial consultant independent of the EA study process be retained to prepare the financial analysis;

AND THAT a copy of this Report be forwarded to York Region, Durham Region, and each of the Area Municipalities in the Regions of York and Durham.