



City of  
**Peterborough**

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**To:** **Members of the Waste Management Steering Committee**

**From:** **James Istchenko, Manager of Environmental Services**

**Meeting Date:** **October 21, 2019**

**Subject:** **Report WMC19-010  
Peterborough Organics Project – Assessment of PurEnergy  
(Havelock, Ontario) downstream disposition option**

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## **Purpose**

A report to address the directive from the City / County Waste Management Steering Committee (September 23rd, 2019):

"That City and County staff meet with representatives from PurEnergy and Drain Bros. and report back to Committee at a special meeting on October 21, 2019."

## **Recommendation**

That Waste Management Committee (WMC) approve the recommendation outlined in Report WMC19-010 dated October 21, 2019 of the Manager of Environmental Services, as follows:

That Report WMC19-010 providing information on the City's Organics Project and a review of alternate options provided by the PurEnergy project be received for information.

## **Budget and Financial Implications**

The City is proceeding with the Peterborough Organics Project following report IPSES19-010 (Appendix A). The project will service the County and City of Peterborough Source Separated Organics (SSO) as well as Leaf and Yard Waste (LYW), supported by a Federal Low Carbon Economy Fund (LCEF) grant.

The City's receipt of the LCEF funding means that \$6,110,586 of the \$15.3 million costs will come from the federal government, pending execution of the funding agreement. Project details in the grant agreement are specific to the proposed project, so funding is not transferable to support a Public Private Partnership.

## Background

The County and City of Peterborough have been reviewing options and progressing with various projects to address LYW and SSO over the past decade. Those investigations and projects included consideration of services available from PurEnergy and other service providers. The reviews culminated in a Federal grant application in March 2019. The success of that application resulted in the September 23, 2019 City of Peterborough Council resolution to execute a funding agreement and commence the Peterborough Organics Project (Appendix A - Report IPSES19-010).

### **Review of and alternative option for City of Peterborough organic material diversion through a public / private partnership with PurEnergy Inc.**

A delegation from PurEnergy and Drain Bros. presented to the Waste Management Committee on September 23, 2019. They are planning a large Anaerobic digestion process capable of servicing multiple large Municipal clients to process organic waste and generate biogas. The WMC requested that staff discuss the project and potential opportunities with representatives from PurEnergy and Drain Bros.

In advance of City / County staff meeting with PurEnergy and Drain Bros., City and County staff prepared a detailed list of questions for PurEnergy staff to prepare to enable County and City staff to undertake a thorough evaluation of this option moving forward.

Specifically, questions and a request for clarity towards specific components of the PurEnergy proposal were identified, including:

- **Business Plans** – revenue share conditions; terms, duration, start date of contracts; details of private / public partnership model, grant parameters, fee model;
- **Technology** – overview of proposed anaerobic digestion technology, reference to other MECP approved sites, case study examples, minimum feedstock tonnage requirements;
- **Operation** – contingency plans should site reach capacity, on-site operations (responsibilities), environmental impacts / studies;

- **Inbound material, Digestate, and Residue Management** – class of compost produced, contingency plans if compost does not meet criteria; downstream plans for digestate, downstream responsibility for residue disposal; limitations of approvals (per EPA Part V s. 27(1));
- **Construction** – project schedule (design status, construction approvals, commissioning and opening schedule); condition of approval of REA; commitment dates and ultimate project costs.

City / County waste management staff met with PurEnergy representatives (Derek Neill, President – PurEnergy and Dwight Corcoran, General Manager – Drain Brothers) on October 1, 2019 to discuss their proposal in greater detail.

Dialogue was informative and constructive for all parties as it provided clarity to PurEnergy officials as to City / County goals, project parameters, timelines and funding parameters, including third party Federal support/limitations specific to the City proceeding with the Peterborough Organics Project.

All parties identified that the dependence or success of either initiative proceeding independently and in parallel did not present an impediment to either project proceeding, given the wide spectrum of SSO feedstock options. In fact, given the ambitious plan of the Ontario government to ban all organic waste from landfills by 2022, there will be a serious organics processing capacity shortfall in Ontario. The Provincial government acknowledged on October 3, 2019 that without the construction of new centralized organics processing facilities across Ontario, the Province will run out of room as the number one issue is the lack of capacity. (reference Appendix C).

Following the meeting between City / County staff and PurEnergy officials, the City received notification on October 2, 2019, advising that given the project timelines and advanced state of the Peterborough Organics Project, PurEnergy was not able to provide the comprehensive details to enable a thorough evaluation of an alternate path forward for the City of Peterborough.

Submitted by,

James Istchenko  
Manager of Environmental Services

**Contact Names:**

Tara Stephen  
Manager, Waste Management, County of Peterborough  
Phone: (705) 775-2737, ext. 3300  
Fax: (705) 749-2551  
Email: tstephen@county.peterborough.ca

David Douglas  
Waste Diversion Section Manager, City of Peterborough  
Phone: (705) 742-7777 Ext 1725  
Fax: (705) 876-4621  
Email: ddouglas@peterborough.ca

**Attachments:**

- Appendix A: Peterborough Organics Project and the Low Carbon Economy Application Results Report IPSES19-010
- Appendix B: CBC News Story - The problem with Ontario's plan to ban food waste from landfills, [www.cbc.ca/news/technology/landfill-ban-organics-ontario-1.5282881](http://www.cbc.ca/news/technology/landfill-ban-organics-ontario-1.5282881)