

AUGUSTA TOWNSHIP AGENDA

Letter from CH Four Biogas to Dyno Nobel Nitrogen Inc.



Sandra Kinghorn, Site Manager

Dyno Nobel Nitrogen Inc.
P.O. Box 681
Maitland, ON K0E 1P0

September 20, 2021

Re: H & D Properties Ltd Digestate Storage

Ms. Kinghorn,

Please accept this letter as confirmation of receipt of your letter dated September 16, 2021, regarding digestate storage at Dyno Nobel Nitrogen. The proponent wishes to clarify a few items with you that were raised in your letter.

When H&D Properties Ltd. (proponent Mr. Donald Duncan) submitted their Environmental Compliance Approval (ECA) application to the Ministry of the Environment Conservation and Parks (MECP), Mr. Duncan was working with Graham Houze to determine if it would be possible to store digestate at the Dyno Nobel facility. On August 5th, 2020, Mr. Duncan received a draft contract (attached) from Mr. Houze regarding the storage of digestate at Dyno Nobel. Due to the on-going work between Mr. Houze and Mr. Duncan, the Dyno Nobel facility was listed as one of two possible digestate storage options on H&D Properties Ltd.'s ECA application.

Since the submission of the ECA application the project has evolved and on July 30, 2021, H & D Properties Ltd. notified the MECP (via a formal written submission) that they intend to store digestate off-site and that it will be removed from the facility by truck.

With regards to your concerns regarding odours associated with digestate, it is important to note that digestate is virtually odourless product that is produced via anaerobic digestion (AD). AD occurs in fully enclosed tanks and the digestate will be removed from the AD tank via a hose and cam-lock connection directly into trucks. There will be no odours associated with the digestate that is produced on-site.

On behalf of H&D Properties Ltd.,

Claire Allen, P.Eng
CH Four Biogas Inc.

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Proposal for rental of storage and services from Dyno Nobel

The following is a draft proposal to determine the level of interest by Dyno Nobel for the rental/lease of equipment at the Dyno Nobel facility in Maitland, ON.

The material will be generated by the new facility being operated at the former Praxair Liquid CO₂ facility, located at xxxx County Road 2, Township of Augusta

1. Liquid Storage tanks (H+D Properties)
 - a. 4000 cubic meter carbon steel storage tank
 - b. East sphere (2500 m³)
 - c. North sphere (1500 m³)
 - d. South sphere (1500 m³)

Material to be stored will be carbonated water (CO₂ injected into water) for further loading into railcars

2. Natural Gas pipeline to Union Gas Metering Station (H+D properties)
 - a. Continuation of Easement for accessing natural gas pipeline
 - o Original easement from Jan 7, 1997
 - o Initial term of 20 years with 5 year extensions (unless written notice provided for termination)

For supply of generated natural gas from bioreactor to the NG pipeline network.

3. Pipeline for carbonated water (H+D Properties)
 - a. To supply tanks as outlined in Part 1
 - b. Subject to Easement as per Part 2
To provide mechanism for transferring one product line from the production facility located at xxx County Road 2 to the storage tanks of Part 1.

4. Weigh scale (H+D Properties and D+R Drying)
 - a. To use the weighscale as operated by Dyno Nobel, using DN personnel

5. Track service (D+R Drying and H+D Properties)
 - a. Access to Dyno Nobel railyard
 - b. Use of railcar weighscale for cars in and out.
 - c. To set up a rail car loading station for handling liquid product (carbonated water)
 - d. To set up a rail car loading station for handling liquid organic matter (food waste)
 - i. Current plan is to unload using pumps.
 - ii. Material to be pumped to Praxair site via buried 6" pipeline. This pipeline will be the responsibility of H+D Properties
 - iii. Easement for installation of pipeline will be required
 - e. To set up a loading/unloading station for solid organic material at north side of track
 - i. Current plan to unload using vacuum system
 - f. To utilize DN personnel for switching services (fee-for-service)
 - g. Established fee-for service can include a maintenance charge or the service fee and maintenance can be segregated.

D+H Property

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6. Bulk solids storage (D+R Drying and H+D Properties)
 - a. North Warehouse
 - i. To provide covered storage for solid organic material as unloaded per Part 5.
 - ii. D+R Drying to be responsible for building repairs (floor)
 - b. Scrap Warehouse
 - i. To provide covered storage for solid organic material as unloaded per Part 5.
 - ii. D+R Drying to be responsible for building repairs (floor/roof)
 - c. Use portion of former Urea Bagging plant for pumps and blowers required for unloading
7. Infrastructure required
 - a. North Warehouse Amenities building
 - i. D+R Drying to use office space and locker room facilities. D+R Drying to be responsible for refurbishment of building
 - b. Electrical supply
 - i. Electricity required for infrastructure (building lights)
 - ii. Electricity required for some process equipment (150HP blower)
 - c. Water supply
 - i. Non-potable water supply (using existing pipes) for sanitary use.

It is recognized that as a facility handling explosive precursors, site security must be maintained at all times. This will entail restricted access to the site with access strictly limited to trucks entering over the weighscale and very limited access by other vehicles.

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| Activity | Estimated volume | Estimated unit cost | Total estimated cost |
|-----------------------------------|------------------|---------------------|----------------------|
| Storage-Liquid | | | |
| Storage-bulk | | | |
| Rail car services - Access | | | |
| Rail car switching | | | |
| Pipeline access-NG | | | |
| Pipeline access- carbonated water | | | |
| Weighscale usage | | | |

D+H Property

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September 16, 2021

Claire Allen,
CH Four BioGas

I am the site manager at the Dyno Nobel facility adjacent to the property that is owned by Donald Duncan. We are aware of concerns in the local community about the proposed undertaking especially in relation to the risk of adverse odour impacts from the proposed digester facility.

We share those concerns especially as they may impact the health, safety and quality of life of our employees at our facility. The primary reason for this letter is to bring to your attention the following statement that appears in the application to the MECP submitted by H & D Properties.

3.3 Site Storage of Digestate Products

There will approximately 540 m³ of liquid digestate produced on a daily basis. Digestate will be pumped to liquid storage tanks at Dyno Nobel (the neighbour facility) or removed directly from the digester via cam-lock connection into closed liquid trucks for export from the facility. On-site removal of digestate can occur within the Reception Building or directly at the anaerobic digesters (if required).

In the unlikely event that digestate cannot be pumped or removed directly from the AD, each anaerobic digester tank can provide approximately 2 days of digestate storage.

Please be advised that Dyno Nobel has not been approached by the proponent to allow the storage of Digestate on any portion of our property and in light of our concerns about odour impacts on our employees and the community, we would not be prepared to provide such consent or enter into any agreement with the proponent to that effect.

The MECP has been advised of the same. H & D Properties have also been advised to ensure they too understand our position and refrain from making further statements about the potential use of our facilities without our consent.

Regards,

Sandra Kinghorn
Site Manager

Groundbreaking Performance