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July 8, 2021
REGION OF PEEL
OFFICE OF THE REGIONAL CLERK

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Dear Peel Regional Chair Iannicca, Waste Committee Chair Starr and all other Regional members of Council

Cornerstone and ProWaste are long standing members of the waste industry and have been closely monitoring the regional waste matters for many years.

We are submitting this unsolicited proposal today and are pleased to offer the Regional Council members an immediate long term, cost effective solution for the regions SSO today and into the future.

Cornerstone and ProWaste are submitting this unsolicited proposal today and are pleased to provide the Regional Chair Nando Iannicca, the Chair of the Waste committee Ron Starr and all Council members an **immediate** long-term, cost-effective solution for the Region's SSO today and into the future.

In collaboration, Cornerstone and ProWaste Solutions are driven to provide the Region of Peel a comprehensive, minimal risk, long term solution that achieves the Region's Anaerobic Digestion (AD) goals for their Source Separated Organics (SSO). Over the last five years and more recently the last two months we have been listening to council meetings and staff reports on the updates to the Regions plans on building their own AD facility to process their SSO. After taking note to councillor Ron Starr's questions too staff for clarification and concerns on the AD project and staff's responses with an emphasis there is no processing capacity in the marketplace, Cornerstone/ProWaste felt compelled to submit to the Region this proposal and informed opinion to shed some much-needed light and clarity on processing capacity in the marketplace.

Cornerstone was formed by a group of 10 anaerobic digester facility operators (2 commercial and 8 on farm) in 2012. Cornerstone has grown and now has 15 digester sites in southwestern Ontario (2 commercial site, 13 farm sites). The group currently receives more than 275,000 tonnes per year of organics from sources including municipal, food industry and commercial. Municipal customers include the Region of Peel, York Region, City of Toronto, and Simcoe County under contracts of various terms.

Cornerstone currently receives more than 70,000 tonnes per year of municipal SSO.

Region of Peel	17,000 tonnes per year	4-year term w/ 2 12-month extensions
Simcoe County	18,000 tonnes per year	5-year term w/ 2 12-month extensions
York Region	10,000 tonnes per year	3-year term w/ extension potential
City of Toronto	25,000 tonnes per year	3-year term w/ 2 12-month extensions

The Region itself, currently processes approximately 35,000 mt annually. Staff has said and reported that their own system is past its useful life and is in desperate need of replacing. Most recently a costly \$600,000 biofilter has been approved, unfortunately spending taxpayer's money with no long-term positive benefit.

Cornerstone/ProWaste is offering to the Region of Peel an immediate, long-term, additional processing capacity of 35,000mt annually for the Region's SSO. This solution instantly provides the Region with cost savings by retiring their old equipment. At the same time allowing them to achieve their AD GHG savings goals, all for a total net price that we are confident will represent savings in the millions of dollars over the long-term.

REFERRAL TO Corporate Services

RECOMMENDED _____

DIRECTION REQUIRED _____

RECEIPT RECOMMENDED _____



Our solution has many benefits for the Region.

- The first being a savings in the ongoing maintenance of its current composting facility. Assets like the Torbram Composting facility, Caledon Composting Facility and the Peel Compost Curing Facility can be immediately decommissioned and repurposed within the Region. This repurposing can leverage private money to further increase diversion and increase GHG savings.
- Our solution is also long term and flexible. Is the Region looking for a 5-year agreement with a 5-year option? Are they looking for a 10-year solution with two 5-year extensions?
- Our pricing will most certainly save the Region hundreds of millions in capex and millions in processing costs over the lifetime of the contract. Our network of reliable AD facilities already exists, built when the price of material was significantly less expensive and meets all current regulations. As a reminder Cornerstone already accepts and processes approximately 20,000mt annually of the Region's SSO with a clean record of meeting all of Peel's contractual obligations and environmental guidelines.
- This solution enables the Region to expediate the achievement of all its goals in a significantly faster timeline.
- As well, the addition of pet waste can be added immediately to the Regions SSO collection. This allows the Region to get closer to their total organic diversion goal of 70%. This is great news for all the pet lovers and residents of the Region of Peel. Cornerstone/ProWaste would also invite the Region to begin discussions on the addition of diapers. With a quicker solution then the building of the Region's own facility, a solution for diapers can easily be achieved at price that would be more reasonable.

In summary, Cornerstone/ProWaste trust to have shed some light on Councillor Ron Starr concerns and inform council and staff that there is AD capacity in the marketplace. Cornerstone and ProWaste have immediate capacity to take 35,000 mt of additional SSO from the Region. This will free up tens of millions of dollars for the Region to invest in higher priorities that can better support the community, such as healthcare, education and transportation like electric buses providing a substantial benefit for the residents of Peel, all the while achieving the same goals it had previously approved.

Kindest Regards,

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