

*Environment North has sent comments on the Terms of Reference for an Environmental Assessment of Peat Resources Ltd.'s proposal to extract and process peat from two locations near Upsala, Ontario*



ENVIRONMENT

north

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Ministry of the Environment,  
2 St. Clair Ave. West, Floor 12A  
Toronto, ON M4V 1L5

Re: Terms of Reference for an Environmental Assessment of Peat Resources Ltd.'s proposal to extract and process peat from two locations near Upsala, Ontario

Dear Sir/Madam:

Draft terms were submitted to the Ministry of the Environment (MOE) by Peat Resources Limited (PRL) on May 1, 2006. The Terms of Reference (ToR) are available for comment during the period June 16, 2006 to July 16, 2006.

In our opinion, the newspaper advertisement does not meet the Ministry's requirements for the solicitation of public input on the draft Terms of Reference. It does not clearly request public comment, nor does it provide direction on how to submit those comments. The public is only asked to contact the consultant in the event that they have questions and/or wish to be on a contact list.

The PRL proposal makes a number of statements and claims that have potential benefits for Northwestern Ontario (NWO) and the process of reducing the release of greenhouse gases - hence benefits for the world. These include 200 jobs for the region, as well as reduced emission of certain toxins if peat fuel is used in regional and North American thermal plants to generate electricity. In a press release dated June 21, 2006, the company presents its proposal "as economically favourable and environmentally acceptable".

One of the central purposes of an EA is to verify such claims. The ToR should identify these claims and, when appropriate, detail methodology to test them. In addition, the scientific source of all claims, for example the reduction of greenhouse gases and the reduction of toxins need to be provided so that the credibility and independence of the scientific expertise can be evaluated.

Environment North acknowledges that a fuel such as peat could contribute to "baseload" electricity generation in NWO. In the "big picture", while the combustion of coal and peat contribute similar amounts of carbon dioxide to the atmosphere, important differences exist when

the entire fuel cycles are compared. As originally conceived, the proposed project would provide an alternative source of fuel to replace coal when the Atikokan generating station was originally scheduled to close in 2007. The closure of this generating station has been indefinitely postponed. The EA should consider how this impacts on regional market(s) of peat. The production of greenhouse gases from transportation to potential distant markets should also be considered.

A well-known feature of peat is its function as a filter. This property can have benefits for down stream water systems. However, it also absorbs and collects toxins and some heavy metals in this process. Mercury is the substance of most concern because of health implications. Ontario and states bordering on Lake Superior have mercury reduction targets. Cadmium can also be a concern. The ToR should identify procedures and define thresholds to sample for heavy metals and other toxins and describe how these substances will be managed.

Peat Resources Ltd. claims that recent testing reveals no mercury. Environment North views this claim as suspicious in view of common knowledge that natural mercury exits in most water systems in NWO. Environment North requests information about sampling methodology at the sites used in this testing.

In *Northern Ontario Business* (June 2006) Peat Resources Ltd. regional manager Wayne McLellan stated "We feel we can show that these bogs, which are not wetlands . . ."

The Ontario Ministry of Natural Resources wetland evaluation system categorizes these peatlands (and others) as wetlands. It is possible that they are provincially, regionally or locally significant wetlands. They are not wastelands devoid of ecological function as implied by Mr. McLellan's statement, "There is not much happening up there." [In reference to peatlands being considered in the EA]. Since knowledge of the full ecological function of these ecosystems may be limited, the extent of their ecological function needs thorough investigation. For example, the proposed site may be one of the few areas in which sharp-tailed grouse mate each spring. Environment North requests the collection of reliable data on wildlife habitat and presence of rare, threatened or endangered animal and plant species so that the potential ecological functions of these peatlands can be evaluated.

The ToR proposes a reliance on secondary data, such as that from the Ministry of Natural Resources for identification of terrestrial features. Environment North has concerns as to the accuracy and completeness of such data, and suggests that an inventory of rare and/or endangered flora and fauna be included as part of the EA.

Mr. McLellan says "We have a very sound reclamation plan that is feasible and we have the scientific back-up to show how it can be done. That will be the main thrust in the environmental assessment." What is the scientific source for the proposed reclamation methodology? The reliability of the reclamation plan depends on the science that is backing it up.

Peat Resources Ltd. proposes to use a wet harvest pumping system. The technology appears practical, although it has not been utilized in countries with a long history of peat as a fuel. (A pilot project is in early stages in Russia.) The EA for this PRL proposal needs to carefully assess wet harvesting as a procedure. It appears unlikely the Russian project will provide much information for the EA.

Baseline studies, including biological and present rate of methane release from the bogs have been conducted, according to PRL. Environment North requests these studies for review.

Environment North is concerned that alternatives to the project, particularly renewable energy initiatives, are explicitly excluded from the ToR. Peat is classified as a non-renewable surficial resource by the Ministry of Natural Resources. We recommend that viable renewable energy sources be given full consideration as alternatives to this project before its implementation.

The ToR only mentions recreation as a Community Service, and not as a socio-economic benefit on Crown lands. There are significant recreational fisheries adjacent to both areas identified for development (e.g. Lac des Milles Lacs and Muskeg Lake). Both areas are also used for hunting. In addition, there are tourism operators at Savanne River and Lac des Milles Lacs. The impact of the proposal on outdoor recreation and tourism should be included in the EA. This should include new or improved access to Crown Lands, noise from extraction and/or processing of peat.

The proponents suggest that the “availability of a supply of reasonably-priced power” would be a benefit associated with this proposal. Since the electricity market is regulated by the provincial government, any power produced with peat would be priced the same as other sources of electricity, thus this potential benefit may not be realized.

While the PRL proposal has potential to contribute to the economy of NWO, Environment North recommends that the precautionary principle be applied in evaluating the benefits of this initiative. The current EA, hopefully, can assess environmental consequences and help to mitigate or eliminate negative impacts.

Environment North would like to be involved in the consultation process and to have the opportunity to review selected technical reports during the EA.

Sincerely,

Graham Saunders, MScF

President Environment North