

Final Verification Report

Integrated Gas Recovery Services Inc. –
East Landfill: Landfill Gas Recovery Project



May 4th, 2010

Prepared for:
Integrated Gas Recovery Services Inc.
320 Pinebrush Road, Suite 12
Cambridge, Ontario

Prepared By:

ICF Consulting Canada
277 Wellington St. W. Suite 808
Toronto, ON M5V 3E4

< this page is intentionally blank >

Table of Contents

| | |
|--|-----------|
| 1. Verification Summary | 1 |
| 2. Verification Scope and Description | 2 |
| 2.1. Background | 2 |
| 2.2. Scope | 2 |
| 2.3. Materiality..... | 3 |
| 2.4. Principles..... | 4 |
| 2.5. Disclaimer..... | 4 |
| 3. Verification Approach | 5 |
| 3.1. Preplanning the Engagement..... | 5 |
| 3.2. Verification Planning..... | 5 |
| 3.3. Executing the Verification..... | 6 |
| 3.4. Completing the Verification | 7 |
| 4. Verification Schedule | 9 |
| 5. Verification Procedures and Findings..... | 10 |
| 5.1. Material Discrepancies..... | 10 |
| 5.2. Immaterial Discrepancies..... | 10 |
| 5.3. Aggregate Materiality | 11 |
| 6. Verification Statement | 12 |
| 7. Appendices..... | 13 |
| 7.1. Appendix A: Verification Plan | 13 |
| 7.2. Appendix B: Sampling Plan | 13 |
| 7.3. Appendix C: Statement of Qualifications..... | 13 |
| 7.4. Appendix D: Conflict of Interest Statement..... | 13 |

1. Verification Summary

Lead Verifier: Chris Caners, P.Eng. (Ontario)

Lead Reviewer: Duncan Rotherham

Associate Verifiers: Nathan Muegge, P.Eng. (Ontario)

Verification Timeframe: December 2009 to May 2010

Objective of the verification: Reasonable level of assurance on GHG Assertion for Emission Reductions

Assurance being provided to: Integrated Gas Recovery Services Inc.

Standard being verified to: ISO 14064-3 (ISO, 2006)

Verification criteria employed: ISO 14064-2 (ISO, 2006)

IGRS East Landfill: Landfill Gas Recovery Project – Project Document 2009

Verification scope – Gases: Carbon Dioxide, Methane, Nitrous Oxide

Project: IGRS Inc. – East Landfill: Landfill Gas Recovery Project

Location(s): Niagara Falls and Thorold, Ontario

Emission Reduction

Temporal period: January 1, 2009 – December 31, 2009 (2009 Vintage Year)

Main Contact
(Verifier): Chris Caners, P.Eng.
Senior Associate, ICF International
277 Wellington St. West – Suite 808
Toronto, ON. M5V 3E4
416.341.0638
ccaners@icfi.com

Main Contact
(Responsible Party): Walt Graziani
Director, Integrated Gas Recovery Services, Inc.
519.621.6669 (Ext. 225)
graziani@comcor.com

2. Verification Scope and Description

2.1. Background

Integrated Gas Recovery Services Inc. (“IGRS”) has worked to develop the necessary documentation detailing project activities to support their claim for emission reductions considered as part of this verification exercise. IGRS has engaged ICF Consulting Canada Inc. (“ICF”) to provide a third party verification of the emission reduction asserted by IGRS related to project activities discussed herein.

The quantification of the emission reductions associated with a Landfill Gas Capture and Utilization operation is defined by the IGRS document titled *East Landfill: Landfill Gas Recovery Project, 2009 Project Document, Revision 6.2, April 7th, 2010* (“the Project Document”). The emission reduction assertion, *Notice of Creation of Emission Reductions, April 29th, 2010* (“the GHG Assertion”), made by IGRS related to this project is a result of the avoided emissions of methane produced by the anaerobic decomposition of waste, when it is placed in a landfill. As the collection of the landfill gas (LFG) and associated system control and monitoring equipment require electrical energy to operate, the realized emission reductions are the net of the avoided methane emissions less the associated project emissions.

The project covered by this verification engagement involves the creation of 2009 calendar year vintage GHG Emission Reductions created through the operation of the IGRS East Quarry Landfill: Landfill Gas Recovery project. IGRS is a full-service, landfill gas utilization company offering complete design, build, own and operating solutions for landfill gas utilization, control and emission reduction projects. IGRS is a partnership between Comcor Environmental Limited and Integrated Municipal Services Inc., that builds on the working relationship developed between the two companies over the last ten years.

2.2. Scope

Boundaries

During the initial verification planning, the organizational boundaries and the sources, sinks and reservoirs (“SSRs”) defined in the Project Document were reviewed for conformity with the available guidance for projects of this type. The procedures utilized to review the emission reductions reported in the GHG Assertion were designed to support a *reasonable level* of assurance. These procedures systematically review:

- the relevant contracts between IGRS, its project partners, and landlords;
- the project activity covered by the quantification;
- the equipment covered by the quantification;
- the facility(ies) covered by the quantification;
- the systems utilized for recording, tracking and safeguarding the data associated with the quantification;
- the methodology applied for the quantification;
- the Project Document; and
- the GHG Assertion.

Verification Criteria

The verification criteria employed in the development of the review procedures, identified in the 2009 Project Document, and detailed in the verification and sampling plan include:

- *IGRS East Landfill: Landfill Gas Recovery Project – 2009 Project Document – Revision 6.2 – 07/04/2010*
- *ISO 14064-2 Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements, 2006*

The verification was conducted in accordance with ISO 14064-3:2006.

Gases

The emission reduction accounts for three greenhouse gases: Carbon Dioxide, Methane and Nitrous Oxide.

Reporting Period

The GHG Assertion includes emission reductions realized during the January 1st, 2009 through December 31st, 2009 timeframe.

2.3. Materiality

During the course of the verification procedures, individual errors, omissions or misrepresentations or the aggregate of these discrepancies will be evaluated qualitatively and quantitatively.

Materiality defines the level at which discrepancies in the GHG Assertion or any underlying supporting information precludes the issuance of a limited level of assurance.

The Lead Verifier, Lead Reviewer and Associate Verifiers (“**Verification Team**”) is responsible for determining if *qualitative* discrepancies could adversely affect the GHG Assertion and subsequently influence the decisions of the Intended User, in which case the discrepancy(ies) are deemed to be material.

Quantitative discrepancies will be calculated individually and in aggregate to determine the percentage of the GHG Assertion that is affected. All discrepancies that are outstanding at the conclusion of the verification are documented in the verification report and classified on an individual basis as either material or immaterial.

Materiality Threshold

For the purpose of this verification the materiality threshold is defined as 5% of the total reported reduction in the GHG Assertion. Note that the materiality threshold may be breached by individual errors, or the sum of multiple errors detected in the various project SSRs.

2.4. Principles

ISO 14064-3:2006 defines six principles that should be upheld in the development of the GHG Assertion. These principles “are intended to ensure a fair representation and a credible and balanced account of GHG emission reductions and removal enhancements from projects” (ISO 14064-3:2006). The verification procedures developed and executed during the course of this verification present evidence such that each of these principles is satisfied.

a. Relevance

Appropriate data sources are used to quantify, monitor or estimate GHG sources, and SSRs. Appropriate minimum thresholds are used to justify the exclusion or the aggregation of minor GHG sources or the number of data points monitored.

b. Completeness

All SSRs identified in the protocol are established in the Project Document and all emissions in the project are included within an identified SSR.

c. Consistency

Uniform calculations are employed between the baseline and project condition and through the entire crediting period. Emission calculations for each SSR are calculated uniformly. If more accurate procedures and methodologies become available, documentation should be provided to justify the changes and show that all other principles are upheld.

d. Accuracy

Measurements and estimates are presented, without bias as far as is practical. Where sufficient accuracy is not possible or practical, measurements and estimates should be used while maintaining the principle of conservativeness.

e. Transparency

Information is presented in an open, clear, factual, neutral and coherent matter that facilitates independent review. All assumptions are stated clearly and explicitly and all calculation methodologies and background material are clearly referenced.

f. Conservativeness

Appropriate parameters affecting the project’s SSRs are utilized in the calculation of the GHG Assertion. When parameters or data sources are highly uncertain, the choice of parameter or data source to be utilized results in an underestimation in the GHG Assertion (i.e. baseline emissions are under-estimated, project emissions are overestimated).

2.5. Disclaimer

Due to the complex nature of the emission reduction project and the inherent limitations of the verification procedures employed, it is possible that fraud, error, or non-compliance with laws, regulations, and relevant criteria may occur and not be detected.

3. Verification Approach

Significant planning was completed prior to the execution of the verification procedures used to review the GHG Assertion and supporting information. The planning tasks were divided into two main stages known as preplanning, and verification planning. A site visit was conducted to gather information during the planning stage. Planning was concluded with the development of a final draft Verification and Sampling Plan. Significant time was spent in the planning stages to ensure an efficient and effective verification and to facilitate communication between the verification team and the Project Proponent.

Upon completion of the development of the draft Verification and Sampling Plan, the plan was reviewed with the Project Proponent. The verification procedures established in the plan were executed through which verification evidence was collected. At the conclusion of the verification procedures, a verification conclusion was reached.

3.1. Preplanning the Engagement

ICF submitted a proposal in response to a request from IGRS. Prior to submitting this proposal, the following preplanning steps were taken:

- The results of any previous business engagements or verifications with the Project Proponent were reviewed to determine if any previous unresolved conflicts may preclude ICF from engaging in the verification;
- The client's motivation for completing the verification was established as a requirement pursuant to internal forward sales arrangements.
- A threat analysis to independence was conducted. No perceived or real conflicts were found when considering threats due to:
 - advocacy
 - intimidation
 - self-review
 - self-interest
 - familiarity
- An engagement letter was submitted with the proposal.

3.2. Verification Planning

An extensive knowledge of the Project Proponent's business, the relevant industry and the details of the project itself are required to conduct a thorough verification that can lead to a conclusion. The initial information collected about the Project Proponent and the project formed the basis of the preliminary Verification Plan. The development of the Verification Plan was an iterative process; that is, the process was completed several times and the resulting plan was updated as new information became available. The final Verification Plan was not produced until after the completion of the initial site visit.

The process of designing the Verification Plan began with the development of a Project Proponent risk profile. The steps in this process included:

- reviewing the results of previous verifications and similar verifications that were completed for comparable organizations and projects;
- reviewing information on the industry and the specific project under review;

- assessing the Project Proponent’s control environment and the corporate governance process;
- assessing the need for outside specialists. The verification team has significant experience working with landfill gas emission reductions projects; therefore, no need for outside specialists was identified;
- assessing the likelihood that a material misstatement might exist in the project, if no controls were used to prevent misstatements in the GHG Assertion (i.e. inherent risk). The highlights of this analysis are summarized in the verification plan;
- reviewing each SSR identified in the Project Document, with the contribution of each SSR to the GHG Assertion and the potential material discrepancy for each was calculated.

Initial Site Visit

The site visit was a key step in planning the verification. This meeting presented the first opportunity to document the Project Proponent’s internal controls and to inquire about data management and security. Project Proponent staff were interviewed regarding controls, data management and security.

Details of the site visit performed pursuant to the execution of this verification are provided in the Verification Schedule, Section 4, of this document.

Final Verification and Sampling Plan

The final draft Verification Plan was developed based on the information collected during the planning stages. It documents the terms of the verification and includes the Sampling Plan, which describes the initial verification procedures. Amendments to the verification procedures were made during the course of the verification as new information became available and further understanding of the project and the data controls were achieved. The final Verification Plan is attached in Appendix A; the final Sampling Plan in Appendix B.

3.3. Executing the Verification

With a Verification Plan in place, the full verification was then completed. This process involved collecting evidence, testing internal controls, conducting substantive testing, and developing a review file.

Collecting Evidence

Two concepts key to the collection of review evidence are sufficiency and appropriateness. These concepts are interrelated. The decision as to whether an adequate quantity (sufficiency) of evidence has been obtained is influenced by its quality (appropriateness).

The Verification Team reviewed the following sources of evidence:

- Management documentation: Policies, programs and procedures related to the collection, safeguarding and management of the GHG-related data.
- Records: Records comprise time-sensitive data, correspondence, and files. Examples include: Invoices detailing gas sold to Abitibi, Monthly gas processing records, calibration and field work reports.
- Interviews: Interviews were held with the managers and employees who have a role in or responsibility for handling data and other information necessary for the calculation of GHG emissions. The interviews also provide information as to whether the management processes have been implemented as intended.
- Computer systems. Data systems and GHG calculation software, if any, used to capture and manage the GHG-related data.

[Testing Internal Controls](#)

The Verification Team developed a sufficient understanding of the GHG information system and internal controls to determine whether the overall data management system is sound, examining it for sources of potential errors, omissions and misrepresentations. This assessment constitutes examining three aspects of the company's internal controls: (1) the control environment, (2) the data systems, and (3) the control and maintenance procedures.

The testing procedures documented in the sampling plan include some procedures to test the effectiveness of the internal controls in place. The results of these tests influence what activity data must be sampled and at what rate.

[Conducting Substantive Testing](#)

Substantive testing procedures were used to assess the reasonability and validity of the GHG data where, in the opinion of the Verification Team, the Project Proponent's internal controls were determined to be ineffective. The specific procedures are summarised in the Sampling Plan as separate tables for each process or activity involved in the quantification and reporting of the GHG Assertion. Materiality is specified for each specific procedure and aggregate materiality is determined separately, section 5.3 of this document.

The details of the testing of internal controls and substantive testing undertaken are described in detail in the final Sampling Plan (Appendix B).

[Developing a Review File](#)

A review file ("File") is developed for each verification. The File is comprised of documents, records, working papers and other evidence collected and created during the course of the review (by the Verification Team) that support the review conclusions. The review file serves to: provide support for the contents of the opinion statement; provide evidence that the review was conducted in accordance with the criteria set forth in this document; and aid the verifier in conducting current and future reviews.

The review file includes:

- the Project Document and GHG Assertion;
- decisions on the level of materiality and the components of review risk;
- documentation of the substantive testing procedures that were carried out and the results;
- copies of relevant records, spreadsheets and other data files; and
- copies of any correspondence with the Project Proponent or other parties relevant to the review.

The review file is the property of ICF and access to it is normally restricted to the Verifier and the Client. ICF will retain and safeguard the file for a minimum of 7 years.

[3.4. Completing the Verification](#)

This engagement will be formally closed after the verification has been executed and this Verification Report has been finalized.

[Preparing the Verification Report](#)

The purpose of the Verification Report is to document the verification findings and process. All errors are described and compared to the materiality threshold individually and in aggregate. The final Verification Statement which presents ICF's opinion on the GHG Assertion is also included in the report.

Closing the Engagement

The review engagement will be closed out upon delivery of the final Verification Report and a meeting with the Client. The following internal tasks will be carried out:

- Addition of the Verification Report to the review file; and
- Organization of the review file and sign-off by the Lead Verifier.

4. Verification Schedule

The verification was completed between the initial engagement in December, 2009 and the issuance of the Verification Report on May 4th, 2010 and included the following activities:

Preplanning the Engagement

- December, 2009: The Client requested a project specific proposal for the verification of a GHG Assertion made by the Project Proponent with emissions reductions generated from their offset project.
- January, 2010: ICF reviewed previous engagements and conducted an independence threat analysis.

Verification Planning

- December 2009: ICF conducted meetings via teleconference organizing the verification activities.
- January 11th, 2010: ICF completed a draft Verification and Sampling Plan.
- January 12th, 2010: ICF conducted a site visit with the Project Proponent (this meeting was held at the IGRS Headquarters at the East Landfill site in Niagara Falls, Ontario).
- March 16th, 2010: ICF completed the Verification and Sampling plan.

Execution of the Verification

- Between January 12th, 2010 and May 3rd, 2010: ICF executed the Verification and Sampling Plan.

Completion of the Verification

- May 4th, 2010: ICF issued the Verification Report to the Client.

5. Verification Procedures and Findings

The procedures employed in the verification of the GHG Assertion were initially documented in the Verification and Sampling Plan and can be found attached to this document as an appendix. These procedures are referenced here with the specific findings from each procedure listed.

The discrepancy details sections below include an approximated value of the asserted quantity affected by each discrepancy, described as a percentage of the total assertion. These values should be relied upon only for determining if discrepancies breach the materiality threshold and not for any other purpose.

5.1. Material Discrepancies

No material discrepancies were found in the supporting documentation to the GHG Assertion.

5.2. Immaterial Discrepancies

Immaterial discrepancies were detected in the supporting documentation to the GHG Assertion as described below.

| Procedure | Sample Size | Immaterial Discrepancy | Status |
|---|-------------|-------------------------------------|--|
| B1: Documentation of Boundaries – Project Document | N/A | None detected | No discrepancies |
| O1: Confirmation of Contractual Relationship – Proponent and Project Partners | N/A | None detected | No discrepancies |
| C1: Emission Reduction Calculation – Appropriate Methodology | N/A | None detected | No discrepancies |
| C2: Emission Reduction Calculation – Calculation | N/A | Transcription Error, Rounding Error | Immaterial discrepancies (details below) |
| D1: Data Handling | N/A | None detected | No discrepancies |
| A1: Greenhouse Gas Emission Reduction Assertion | N/A | None detected | No discrepancies |

Immaterial Discrepancy Details

| | |
|--|--|
| C2: Emission Reduction Calculation – Calculation | Transcription Error – The concentration of methane listed in billing records supporting gas utilization at the Abitibi facility was not stated correctly for one day in the 2009 period resulting in an immaterial discrepancy of less than 0.001% of the GHG Assertion. |
| C2: Emission Reduction Calculation – Calculation | Rounding Error - An inconsistent treatment of significant figures supporting gas utilization at the Abitibi facility occurred for one month in the 2009 period resulting in an immaterial discrepancy of less than 0.001% of the GHG Assertion. |

5.3. Aggregate Materiality

The sum of the immaterial discrepancies in the population did not result in a breach of materiality.

6. Verification Statement

May 4th, 2010

Walter Graziani
 Director, Integrated Gas Recovery Services, Inc.
 P.O. Box 100, Thorold ON L2V 3Y8

**RE: Statement of Verification –
 Integrated Gas Recovery Services Inc. – East Landfill: Landfill Gas Recovery Project
 (JANUARY 1, 2009 – DECEMBER 31, 2009)**

Scope

Integrated Gas Recovery Services Inc. (“IGRS”) engaged ICF Consulting Canada Inc. (“ICF”) to review their project documentation and supporting evidence detailing their claim of emission reductions for the East Landfill – Landfill Gas Recovery Project, covering the 2009 calendar year project activities and detailed in the *IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2* (“Project Document”) and the *Notice of Creation of Emission Reductions* (“GHG Assertion”). The GHG Assertion, dated April 29, 2010, specifies a claim for 336,761 tonnes CO₂e over the aforementioned period. IGRS is responsible for the preparation and presentation of the information within the GHG Assertion. Our responsibility is to express our opinion as to whether the GHG Assertion is materially correct, in accordance with ISO 14064 Part 2: *Greenhouse Gases: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements*, and the stated emission reduction quantification methodology as outlined in the accompanying Project Document for this project.

Methodology

We completed our review in accordance with the ISO 14064 Part 3: *Greenhouse Gases: Specification with guidance for the validation and verification of greenhouse gas assertions* (ISO, 2006). We planned and performed our work in order to provide a reasonable level assurance with respect to the GHG Assertion. Our review criteria were based on the information provided in the Project Document and the associated guidance documents. We reviewed IGRS’s Project Document, GHG Assertion, and other supporting documentation. We believe our work provides a reasonable basis for our conclusion.

Conclusion

Based on our review, it is our opinion that the GHG emission reduction contained in the GHG Assertion is materially correct and presented fairly in accordance with the relevant criteria.



Chris Caners, P.Eng.
 Professional Engineer, Ontario
 Lead Verifier
 Toronto, Ontario, Canada



Duncan Rotherham
 Vice President, ICF International
 Lead Reviewer
 Toronto, Ontario, Canada

7. Appendices

7.1. Appendix A: Verification Plan

7.2. Appendix B: Sampling Plan

7.3. Appendix C: Statement of Qualifications

7.4. Appendix D: Conflict of Interest Statement



Verification Plan

Integrated Gas Recovery Services Inc. – East Landfill: Landfill Gas Recovery Project

Lead Verifier: Chris Caners, P.Eng. (Ontario)
Lead Reviewer: Duncan Rotherham
Associate Verifiers: Nathan Muegge, P.Eng. (Ontario)

Verification Timeframe: December 2009 to May 2010
Objective of the verification: Reasonable level of assurance on GHG Assertion for Emission Reductions
Assurance being provided to: Integrated Gas Recovery Services Inc.
Standard being verified to: ISO 14064-3 (ISO, 2006)
Verification criteria employed: ISO 14064-2 (ISO, 2006), *IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2*
Verification scope – Gases: Carbon Dioxide, Methane, Nitrous Oxide

Project: Integrated Gas Recovery Services Inc. – East Landfill: Landfill Gas Recovery Project
Location(s): Niagara Falls and Thorold, Ontario

Emission Reduction
Temporal period: January 1, 2009 – December 31, 2009 (2009 Vintage Year)

Main Contact
(Verifier): Chris Caners, P.Eng.
Senior Associate, ICF International
277 Wellington St. West – Suite 808
Toronto, ON. M5V 3E4
416.341.0638
ccaners@icfi.com

Main Contact
(Responsible Party): Walt Graziani
Director, Integrated Gas Recovery Services, Inc.
519.621.6669 (Ext. 225)
graziani@comcor.com

1. Introduction

Integrated Gas Recovery Services Inc. (“IGRS”) has worked to develop the necessary documentation detailing project activities to support their claim for emission reductions considered as part of this verification exercise. IGRS has engaged ICF Consulting Canada Inc. (“ICF”) to provide a third party verification of the emission reduction asserted by IGRS related to project activities discussed herein.

The quantification of the emission reductions associated with a Landfill Gas Capture and Utilization operation is defined by the document *IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2* (“**the Project Document**”). The emission reduction assertion made by IGRS related to this project is a result of the avoided emissions of methane produced by the anaerobic decomposition of waste, when it is placed in a landfill. As the collection of the landfill gas (LFG) and associated system control and monitoring equipment require electrical energy to operate the realized emission reductions are the net of the avoided methane emissions less the associated project emissions.

The project covered by this verification engagement involves the creation of 2009 calendar year vintage GHG Emission Reductions created through the operation of the IGRS East Quarry Landfill Gas Collection and Utilization project. IGRS is a full-service, landfill gas utilization company offering complete design, build, own and operating solutions for landfill gas utilization, control and emission reduction projects. IGRS is a partnership between Comcor Environmental Limited and Integrated Municipal Services Inc., that builds on the working relationship developed between the two companies over the last ten years.

This document describes the terms and scope of this verification. It serves to guide the verification team, communicate the parameters of the verification to the intended users of its findings and inform the development of the verification procedures described in the Sampling Plan (attached).

2. Objective

The primary objective of this verification is to determine if the project described in the Project Document resulted in the greenhouse gas (“GHG”) emission reduction reported in the *Notice of Creation of Emission Reductions* (“**GHG Assertion**”). This assessment will be based on the verification criteria defined by the scope of the project.

3. Parties and Users

As defined in Section 2.15 of ISO 14064-3:2006 the individual or organization that has overall control and responsibility for the GHG project is the “**Project Proponent**”. For this verification, IGRS is the Project Proponent.

ICF the “**Verifier**,” has been engaged by IGRS, who in this case is also the “**Client**”, to provide a third party verification of the emission reduction.

The “**Intended User**,” is defined in Section 2.26 of ISO 14064-3:2006 as the individual or organization identified by those reporting GHG-related information that relies on that information to make decisions. The client and prospective buyers of serialized credits resulting from the GHG Assertion are the intended users of the information contained in this verification.

4. Scope

Boundaries

During the initial verification planning, the organizational boundaries and the sources, sinks and reservoirs (“SSRs”) defined in the Project Document were reviewed for conformity with the available guidance for projects of this type. The procedures utilized to review the emission reductions reported in the GHG Assertion were designed to support a *reasonable level* of assurance. These procedures systematically review:

- the relevant contracts between IGRS, its project partners, and landlords;
- the project activity covered by the quantification;
- the equipment covered by the quantification;
- the facility(ies) covered by the quantification;
- the systems utilized for recording, tracking and safeguarding the data associated with the quantification;
- the methodology applied for the quantification;
- the Project Document; and
- the GHG Assertion.

Verification Criteria

The verification criteria employed in the development of the review procedures documented in the verification plan include:

- *IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2*
- *ISO 14064-2 Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements, 2006*

The verification was conducted in accordance with ISO 14064-3:2006.

Gases

The emission reduction accounts for three greenhouse gases: Carbon Dioxide, Methane and Nitrous Oxide.

Reporting Period

The GHG Assertion includes emission reductions realized during the January 1st, 2009 through December 31st, 2009 timeframe.

5. Materiality

During the course of the verification procedures, individual errors, omissions or misrepresentations or the aggregate of these discrepancies will be evaluated qualitatively and quantitatively.

Materiality defines the level at which discrepancies in the GHG Assertion or any underlying supporting information precludes the issuance of a reasonable level of assurance.

The Lead Verifier, Lead Reviewer and Associate Verifiers (“**Verification Team**”) is responsible for determining if *qualitative* discrepancies could adversely affect the GHG Assertion and subsequently influence the decisions of the Intended User, in which case the discrepancy(ies) are deemed to be material.

Quantitative discrepancies will be calculated individually and in aggregate to determine the percentage of the GHG Assertion that is affected.

All discrepancies that are outstanding at the conclusion of the verification are documented in the verification report and classified on an individual basis as either material or immaterial.

Materiality Threshold

The calculation of the emission reduction in this GHG Assertion associated with this project is simply, the mass of methane gas collected by the project activity and destroyed through either utilization or flaring at the project site multiplied by the global warming potential of methane, less the greenhouse gas emissions associated with the required project activities.

For the purpose of this verification the materiality threshold is defined as 5% of the total reported reduction in the GHG Assertion. Note that the materiality threshold may be breached by individual errors, or the sum of multiple errors detected in the various project SSRs.

6. Principles

ISO 14064-3:2006 defines six principles that should be upheld in the development of the GHG Assertion. These principles “are intended to ensure a fair representation and a credible and balanced account of GHG emission reductions and removal enhancements from projects” (ISO 14064-3:2006). The verification procedures developed and executed during the course of this verification present evidence such that each of these principles is satisfied.

a. Relevance

Appropriate data sources are used to quantify, monitor or estimate GHG sources, and SSRs. Appropriate minimum thresholds are used to justify the exclusion or the aggregation of minor GHG sources or the number of data points monitored.

b. Completeness

All SSRs identified in the protocol are established in the Project Documentation and all emissions in the project are included within an identified SSR.

c. Consistency

Uniform calculations are employed between the baseline and project condition and through the entire crediting period. Emission calculations for each SSR are calculated uniformly. If more accurate procedures and methodologies become available, documentation should be provided to justify the changes and show that all other principles are upheld.

d. Accuracy

Measurements and estimates are presented, without bias as far as is practical. Where sufficient accuracy is not possible or practical, measurements and estimates should be used while maintaining the principle of conservativeness.

e. Transparency

Information is presented in an open, clear, factual, neutral and coherent matter that facilitates independent review. All assumptions are stated clearly and explicitly and all calculation methodologies and background material are clearly referenced.

f. Conservativeness

Appropriate parameters affecting the project’s SSRs are utilized in the calculation of the GHG Assertion. When parameters or data sources are highly uncertain, the choice of parameter or data source to be utilized results in an underestimation in the GHG Assertion (i.e. baseline emissions are under-estimated, project emissions are overestimated).

7. Risk Assessment

There are three types of risk associated with the GHG Assertion defined in ISO 14064-3:

- Inherent Risk
- Control Risk
- Detection Risk

The assessed level of risk for this verification dictates the degree of rigour planned for the verification procedures described in the accompanying sampling plan. Subsequent to our risk assessment a Verification Team" having appropriate skills and experience to address the identified risks is selected. Additionally, our established audit procedures and documentation systems ensure a thorough treatment of any risk identified during the assessment process. A risk assessment was completed based on observations made following an initial review of the draft Project Document and interviews with key individuals responsible for the project.

The *inherent risk* in IGRS emission reduction assertion emanates from the large volume of gas processed by the project activity. In order to address the inherent risk ICF has selected a Verification Team having appropriate skills and experience to address the medium level of inherent risk identified in this project.

Control risk relates to the likelihood that a material misstatement in the GHG Assertion will not be prevented or detected by IGRS's internal control system. This risk was assessed through professional judgement after gaining an understanding of IGRS's internal controls. Following our review of the internal control system used by IGRS the control risk was deemed to be low for this project as the data capture process is largely an automated one with minimal manual transcription tasks involved in the subsequent data handling and processing into the GHG Assertion.

The *detection risk* is a measure of the risk that the verification evidence collected and reviewed will fail to detect material misstatements, should such misstatements exists. Unlike *inherent* and *control* risk, which are typically attributes of the project type and technologies employed therein, *detection* risk is variable and defined as being inversely proportional to the *inherent* and *control* risk. Therefore the detection risk is maintained at a low level by designing an appropriate number of tests and collecting an adequate sample size.

8. Verification Schedule

The verification activities for this GHG Assertion will be carried out in the months of January through March 2010. An initial site visit to the project operations was conducted on January 12th, 2010 at the East Landfill site located in Niagara Falls, Ontario. This visit included interviews with key staff, a tour of the project site and operations, a review of information management and security and a desktop review of key documentation required to complete this verification.

9. Verification Procedures

The specific procedures utilized to gather evidence supporting the principles underlying the GHG Assertion are described in the Sampling Plan.



Sampling Plan

Integrated Gas Recovery Services Inc. – East Landfill: Landfill Gas Recovery Project

Lead Verifier: Chris Caners, P.Eng. (Ontario)
Lead Reviewer: Duncan Rotherham
Associate Verifiers: Nathan Muegge, P.Eng. (Ontario)

Verification Timeframe: December 2009 to May 2010
Objective of the verification: Reasonable level of assurance on GHG Assertion for Emission Reductions
Assurance being provided to: Integrated Gas Recovery Services Inc.
Standard being verified to: ISO 14064-3 (ISO, 2006)
Verification criteria employed: ISO 14064-2 (ISO, 2006); *IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2*
Verification scope – Gases: Carbon Dioxide, Methane, Nitrous Oxide

Project: Integrated Gas Recovery Services Inc. – East Landfill: Landfill Gas Recovery Project
Location(s): Niagara Falls and Thorold, Ontario

Emission Reduction
Temporal period: January 1, 2009 – December 31, 2009 (2009 Vintage Year)

Main Contact
(Verifier): Chris Caners, P.Eng.
Senior Associate, ICF International
277 Wellington St. West – Suite 808
Toronto, ON. M5V 3E4
416.341.0638
ccaners@icfi.com

Main Contact
(Responsible Party): Walt Graziani
Director, Integrated Gas Recovery Services, Inc.
519.621.6669 (Ext. 225)
graziani@comcor.com

Objective:

The primary objective of completing verification procedures is to collect evidence in support of the principles and quantification methodology underlying the emission reduction assertion made by the Project Proponent and to reveal any material discrepancies in the GHG Assertion, should they exist.

Testing Procedures:

This plan describes the testing procedures that will be utilized. The specific procedures are summarised in separate tables for each process or activity involved in the quantification and reporting of the GHG emission Assertion. Materiality is specified for each specific procedure. Aggregate materiality is determined separately.

Summary of Procedures:

Project Boundaries

B1: Documentation of Boundaries – Project Document

Ownership

O1: Confirmation of Contractual Relationship – Proponent and Project Partners

Calculation

C1: Emission Reduction Calculation – Appropriate Methodology

C2: Emission Reduction Calculation – Calculation

Data Sources and Supporting Data

D1: Data Handling

Assertion:

A1: Greenhouse Gas Emission Reduction Assertion

Procedure Definition Table Explained

| Z1 – Example Procedure Category – Example Procedure Title | |
|---|---|
| Introduction: This introduction serves to explain the reason the verification team has interest in the procedure described below. For instance the inclusion of all emission sources ensures that that quantification of the total direct emission satisfies the principle of completeness. | |
| Type of Evidence | The Type of Evidence can usually be grouped as: Physical Examination, Confirmation, Documentation, Observation, Inquiries of the Client, Reperformance, or Analytical Procedures. |
| Data Sources | The <i>Data Sources</i> describes the form in which the evidence is presumed to be available to the verification team. Specific Documents or Assigned Positions, for example. |
| Objective (specific principles) | The objective serves to focus the procedure as pursuant to one of the audit principles of: <i>Relevance, Completeness, Consistency, Accuracy, Transparency, or Conservativeness.</i> |
| Specific Activities | <ul style="list-style-type: none"> • In bullet form; • The <i>Specific Activities</i> are outlined here. |
| Error Conditions | <ul style="list-style-type: none"> • Again in bullet form; • The anticipated <i>Error Conditions</i> are listed here to aid the verification team; • As the sampling plan is a living document until the end of the verification process additional error conditions may be identified during the execution of the procedures. |
| Sample Unit | The <i>Sample Unit</i> describes the individual record unit required to define the <i>Sample Size</i> . ie. monthly landfill gas consumption. |
| Sample Size | The <i>Sample Size</i> represents the original planned depth of the sampling, as a percent. ie. 15% of the monthly landfill gas consumption records. |
| Materiality Threshold | <p>Two options exist for the definition of the <i>Materiality Threshold</i>;</p> <ul style="list-style-type: none"> • A <u>Quantitative</u> description describing the threshold in tonnes, . eg. 5% of the total direct annual emissions reported. (or) • A <u>Qualitative</u> statement where the nature of the error not a quantitative one. eg. Qualitative errors will be reviewed on a case by case basis for materiality. <p>NB - Any persisting error which breaches the <i>Materiality Threshold</i> would preclude the issuance of an unqualified limited assurance statement by the Verification Team.</p> |

Project Boundaries

| B1: Documentation of Boundaries – Project Document | |
|---|---|
| Introduction: In order to ensure that all relevant emission sources are included in the quantification of the emission reductions it is necessary to ensure that the project boundaries established represent all relevant sources, sinks and reservoirs. | |
| Type of Evidence | Documentation, Physical Examination, Observation |
| Data Sources | <i>IGRS East Landfill: Landfill Gas Recovery Project, 2009 Project Document, April 7th, 2010, Revision 6.2 ("Project Document")</i> |
| Objective (specific principles) | Completeness, Relevance |
| Specific Activities | <ul style="list-style-type: none"> Compare each SSR listed in the Project Document to those listed in available guidance documentation |
| Error Conditions | <ul style="list-style-type: none"> SSR defined in guidance was wrongfully excluded in Project Document Use of a flexibility mechanism without justification Divergence from the protocol that is not in conformance with associated guidance documents |
| Sample Unit | NA |
| Sample Size | NA |
| Materiality | Qualitative errors will be reviewed on a case by case basis for materiality. |

Ownership

| O1: Confirmation of Contractual Relationship – Proponent and Project Partners | |
|---|---|
| Introduction: In order to confirm that the project proponent has right and title to the ERCs discussed herein, documentation or similar supporting evidence must be provided to ensure that the activity is creditable and the emission reductions themselves are unique to this project. | |
| Type of Evidence | Inquiries of the Client, Documentation |
| Data Sources | Project documentation, specifically contracts binding project partners, demonstrations of ownership, demonstrations of the surplus nature of the project activity |
| Objective (specific principles) | Transparency |
| Specific Activities | <ul style="list-style-type: none"> Review of documents proving the ownership of the assets creating the emission reductions Review of contracts binding project proponent to other project partners Ensure temporal coverage of current assertion in project related contracts |
| Error Conditions | <ul style="list-style-type: none"> Missing documentation Incorrect identification of legal entities covered by contract Expired or incomplete terms in relevant contracts |
| Sample Unit | N/A |
| Sample Size | N/A |
| Materiality | Any errors in contractual information could result in material to the GHG Assertion. Case by case evaluation required. |

Calculation

| C1: Emission Reduction Calculation – Appropriate Methodology | |
|--|---|
| Introduction: This procedure is intended to systematically review the current emission reduction calculation methodology for conformance to the Project Document, as well as, the overarching principles of GHG quantification provided by the ISO 14064 series. | |
| Type of Evidence | Documentation |
| Data Sources | Project Document |
| Objective (specific principles) | Completeness, Consistency |
| Specific Activities | <ul style="list-style-type: none"> Review of methodology applied for appropriateness and consistency with accepted quantification principles |
| Error Conditions | <ul style="list-style-type: none"> Undocumented deviations from accepted methodology Incorrect deviations from accepted methodology |
| Sample Unit | N/A |
| Sample Size | N/A |
| Materiality | Any error in the application of an appropriate methodology may result in material error in the GHG Assertion. Evaluate on case by case basis. |

| C2: Emission Reduction Calculation – Calculation | |
|---|---|
| Introduction: In order to ensure the accuracy of the emission intensity quantification this procedure re-performs the calculation independently (where possible) from the internal emission inventory worksheets provided by the responsible party. | |
| Type of Evidence | Reperformance, Analytical procedures |
| Data Sources | Project Document, Project Emissions Reduction Workbook, Internal Records |
| Objective (specific principles) | Accuracy, Conservativeness |
| Specific Activities | <ul style="list-style-type: none"> Review data supporting calculated emission reductions Reperformance of emission reductions from original data sources, where available |
| Error Conditions | <ul style="list-style-type: none"> Missing or incomplete data sets Non-conservative use of available data sources Inaccurate or out-dated estimation data/techniques |
| Sample Unit | Calculations required for quantification of GHG emission reductions. |
| Sample Size | All calculations required to for quantification of GHG emission reductions (using aggregated monthly/annual data). |
| Materiality | 5% of total GHG Assertion when sample is generalized to the population. |

Data Sources and Supporting Data

| D1: Data Handling | |
|--|--|
| Introduction: This procedure is intended to systematically review the responsible party's internal procedures and controls that are used to calculate emission reductions and project emissions. | |
| Type of Evidence | Documentation, Observation, Inquiries of the Client |
| Data Sources | Interviews, Standard Operating Procedures ("SOP") (where available) |
| Objective (specific principles) | Accuracy, Transparency, Conservativeness |
| Specific Activities | <ul style="list-style-type: none"> Interview parties responsible for quantifying associated emission reductions Review SOPs detailing relevant data handling procedures (where available) |
| Error Conditions | <ul style="list-style-type: none"> Transcription errors Missing or incomplete data sets Missing or incomplete records (e.g. calibration records, gas invoices) Uncontrolled access to project data |
| Sample Unit | Monthly LFG delivered to Abitibi, monthly LFG delivered to flare, methane content in LFG |
| Sample Size | 100% of original records. |
| Materiality | 5% of total GHG Assertion when sample is generalized to the population. |

Assertion

| A1: Greenhouse Gas Emission Reduction Assertion | |
|--|--|
| Introduction: This procedure is intended as a final review of the Emission Reduction Assertion to ensure all required information is complete and represents accurately the underlying calculations. | |
| Type of Evidence | Documentation |
| Data Sources | GHG Assertion, Project Document |
| Objective (specific principles) | Accuracy, Conservativeness |
| Specific Activities | <ul style="list-style-type: none"> Review GHG Assertion as compared to quantified reduction |
| Error Conditions | <ul style="list-style-type: none"> Disagreement with calculated and asserted values Non-conservative rounding of final asserted quantity |
| Sample Unit | GHG Assertion |
| Sample Size | All |
| Materiality | Any error here potentially represents a material error, as this should be a simple transcription. |



Statement of Qualification

Founded in 1969, ICF International is a global company employing over 3,000 consultants in areas of energy, environment, transportation, economic and community development, and IT. With over 350 dedicated climate change specialists, ICF has carefully earned an international reputation in the field of climate change consulting for its analytical rigour, in-depth expertise, and technical integrity. ICF has undertaken scores of GHG emissions related assignments over the past two decades for international institutions such as the IPCC, OECD, IEA, Prototype Carbon Fund, International Finance Corporation, World Bank, and UNEP; national, state and local governments in more than 50 countries; and progressive companies including members of the international Fortune 500, that have recognized climate change as an issue which will help to define their competitive advantage.

ICF Consulting Canada Inc. ("ICF"), a fully owned subsidiary of ICF International, has carried out hundreds of facility level GHG verifications and verification of emission reduction projects over the past 10 years. ICF has developed the necessary internal controls to ensure qualified and competent staffing uphold the principles of the relevant standard while quality control processes are utilized to assure data integrity is maintained and safeguarded. Working seamlessly with our offices in London, Washington D.C., New Delhi, Rio de Janeiro, and Moscow, ICF assignments in the private sector have involved the following activities of particular relevance:

- advising organizations as they quantify GHG emissions baselines and periodic inventories;
- developing project documentation with developers of emission reduction projects and technological innovations;
- undertaking GHG verifications of entity level emission inventories and emission reduction projects;
- developing protocols to monitor and quantify GHG emissions for companies and GHG reduction projects; and
- assessing the marginal cost of abatement through internal reduction initiatives and market based mechanisms.

Since the genesis of Alberta's *Specified Gas Emitters Regulation*, ICF has been working with large emitters to submit baseline emission applications and annual compliance report verifications. This verification work included a review of all information supporting the quantification of emissions from operations of pipelines, cogeneration, natural gas processing and oil sands facilities. Additionally, ICF has completed verification work for emission reduction projects under several protocols in the Alberta Offset System. To date, more than 30 baseline and compliance reports in addition to more than 10 emission reduction assertions have been submitted with a third-party verification completed by ICF.

ICF has established a verification team, qualified and competent in planning, execution, and completion of the verification process. The team employed for the review of this GHG assertion is supervised by Duncan Rotherham, Vice President, who has led the ICF verification practice for eight years and carried out over 50 GHG verifications. Chris Caners, P.Eng. is a Senior Associate with ICF. Chris is a licensed Professional Engineer in the Province of Ontario and has completed supplementary training in the audit process; specially, verification using ISO 14064. Additionally, Nathan Muegge, P. Eng. was retained on contract to assist with the performance of the verification.

ICF's quality assurance and quality control approach for all projects includes assigning senior personnel with relevant technical experience to direct and review all project work. Project data is reviewed through a multi-stage process that begins with quality assurance planning (identifying data gaps, quantifying uncertainty and risk of data error), executing mitigation techniques and qualitative review including impact analysis.

The information contained within this statement is complete and correctly represents the qualifications of ICF and the members of the verification team described herein. Dated May 4th, 2010.

A handwritten signature in blue ink, appearing to read "CC".

Chris Caners, P.Eng., Lead Verifier

A handwritten signature in blue ink, appearing to read "DR".

Duncan Rotherham, Lead Reviewer



Conflict of Interest Checklist

| Question | Yes | No |
|---|-----|----------|
| <p>1. Can the verifying organization or the verification team members directly benefit from a financial interest in the Project Developer or the Project Developer's Project?</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> • Owning shares of the Project Developer; • Having a close business relationship with the Project Developer; • Contingent fees relating to the results of the engagement; • Potential employment with the Project Developer; or • Undue concern about the possibility of losing the verification or other fees from the Project Developer. | | X |
| <p>2. Can the verifying organization or verification team members be in a position of assessing their own work?</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> • Involvement of the verification organization in the compilation of the data contained in the GHG assertion. • Involvement of the verification organization in the development of a quantification protocol other than protocol recognized or recommended by the regulatory authority. • A verification organization member performing non-verification services that directly impinge on the client's GHG assertion, such as implementing the GHG data management system, or having performed validation services on the project being reviewed; • A member of the verification engagement team having previously been a GHG data compiler of the Project Developer or who was employed by the Project Developer in a position to exert direct and significant influence over the Project Developer's GHG assertion being verified. | | X |
| <p>3. Does the verifying organization or a member of the verification team, or a person in the chain of command for the verification, promote or be perceived to promote, a Project Developer's position or opinion to the point that objectivity may, or may be perceived to be, compromised?</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> • Dealing in, or being a promoter of, GHG emission reductions on behalf of a Project Developer; or • Acting as an advocate on behalf of the Project Developer in litigation or in resolving disputes with third parties. | | X |
| <p>4. Is one or more of the verification team too sympathetic to the Project Developer's interests by virtue of a close relationship with a Project Developer, its directors, officer or employees?</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> • A person on the verification team has a close personal relationship with a person who is in a senior GHG compilation role at the Project Developer; or • The verification team or a person of influence on the verification team has accepted significant gifts or hospitality from the Project Developer. | | X |
| <p>5. Is a member of the verification team or a person in the chain of command is deterred from acting objectively and exercising professional skepticism by threats, actual or perceived, from the directors, officers or employees of the Project Developer.</p> <p><i>For example:</i></p> <ul style="list-style-type: none"> • The threat of being replaced as a third party verifier due to a disagreement with the application of a GHG quantification protocol; • Fees from the Project Developer represent a large percentage of the overall revenues of the verifying organization. • The application of pressure to inappropriately reduce the extent of work performed in order to reduce or limit fees; or • Threats of litigation from the Project Developer. | | X |

The declaration made in this statement is correct and truly represents ICF Consulting Canada Inc. and the members of the verification team. May 4th, 2010.

Chris Caners, P.Eng., Lead Verifier

Duncan Rotherham, Lead Reviewer