

Pages 1 through 2 redacted for the following reasons:

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Village of Gold River

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October 8, 2009

Honourable Bill Bennett
Minister of Community & Rural Development
PO Box 9056 Stn Prov Govt
Victoria BC V8W 9E2

Dear Minister Bennett:

Re: Green Island Energy's Thermal Power Project in Gold River – an EfW Project

We wish to thank you for your time at our meeting of September 15th, 2009. As we indicated at our meeting the Village of Gold River has been working collaboratively with Green Island Energy (GIE) towards the development of a 90 MW Energy from Waste (EfW) facility since GIE's acquisition of the former industrial pulp and paper mill in March 2003. The Village of Gold River fully and wholeheartedly supports this project as it will bring much needed and long-awaited jobs, development and tax base to our community, as well as contribute to on-Island energy self-sufficiency for Vancouver Island. The Green Island Energy project promises to provide broad economic impacts necessary to stimulate our local and regional B.C. economies.

Following the closure of the pulp mill in 1999 (the proposed site of the project) our Village experienced an immediate and dramatic economic downturn that has affected all aspects of the community. The abandonment of our major employer with no apparent replacement employer or industry has created a wave of permanent job loss and the depletion of our local tax base. This is all further exacerbated by the deterioration of other resource-related industry such as forestry in our community. Given the existing and persistent global recession which is especially pronounced in small rural communities we see this power project as a once-in-a-life opportunity to aid in pulling ourselves up with a new, green industry. The many new jobs, skills and training and attendant income this project brings would resuscitate our town and stimulate the entire region. Further, this level of investment in our economy would deliver the much needed tax revenues necessary to bring back or support programs and services that make our town a true community.

Green Island Energy has been diligent in working with the First Nations to ensure their satisfaction regarding consultation, participation, and accommodation from the proposed project. These efforts are embodied in the signed Support Agreement that GIE and the Mowachaht/Muchalaht First Nations memorialized at their signing ceremony last May to which I and Village Council was honoured to be invited. For the MMFN this project also represents a significant opportunity for jobs, skills training and income.

In 2006 GIE was awarded a 40-year power purchase agreement by BC Hydro for the 90 MW of firm, renewable energy output from the project. Since that time, GIE has partnered with Covanta Energy Corporation, the world's leading EfW operator and developer, to help lead the project through its final

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stages of development. With all necessary permits and power purchase agreement in hand, the project is ready to begin the 3-year construction term and 40-year initial operating life of providing power to the province. The capital investment to make this project a reality is a formidable commitment that GIE and Covanta Energy are read to make directly to our community. Projects like the Gold River Power Project represent the significant investment that is one of the keys to help stimulate the economic future of not only our community, but the entire Province of B.C.

In closing, I would like to mention yet another aspect of this project that fits well with the message we hear every day from our government – green energy. This project provides that virtual landfill we have all been seeking. Consider the reduction of over 700,000 annual tonnage waste from landfills, state-of-the-art EfW technology, similar to that being utilized in Europe's green capitals, and the resulting 90 MW of clean power all representing a fitting balance of the ideology our country needs to harness as it moves into the 21st century.

I thank you for your kind consideration to our presentation and again ask for your support to help us realize this significant opportunity that will bring benefits to our region and the Province of BC.

Sincerely,



Craig Anderson
Mayor
Village of Gold River

cc: Premier Gordon Campbell
Honourable George Abbott, Minister of Aboriginal Relations and Reconciliation
Honourable Colin Hansen, Minister of Finance and Deputy Premier
Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development
Celeste Haldane, NTC Treaty Manager
Chief Mike Maquinna, Mowachaht/Muchalaht First Nations

Thomas A. Lyons, P.E.
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November 10, 2009

Ministry of Aboriginal Relations and Reconciliation
Parliament Buildings, Room 310
PO Box 9051, Stn Prov Govt
Victoria, B.C.
V8W 9E2

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MINISTRY OF ABORIGINAL RELATIONS & RECONCILIATION MINISTERS OFFICE			
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Attention: The Honourable George Abbott

Re: Clarification of Information on Gold River Energy-from-Waste (EfW) Project

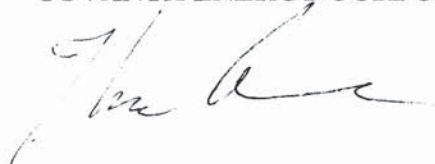
Dear Minister Abbott:

Enclosed please find a copy of a letter addressed to the Chair of the Metro Vancouver Regional District, concerning the region's efforts to pursue energy recovery as a sustainable solid waste management solution in accordance with the Waste Management Hierarchy.

We are aware that members of the Executive Council have been canvassed on the issue of Metro Vancouver solid waste management options, and wanted to ensure you received the enclosed information.

Yours very truly,

COVANTA ENERGY CORPORATION



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November 10, 2009

Metro Vancouver Regional District
4300 Kingsway
Burnaby, BC
V5H 4G8

Attention: Mayor Lois Jackson
Chair, Metro Vancouver Board of Directors

Re: Clarification of Information on Gold River Energy-from-Waste (EfW) Project

Dear Mayor Jackson:

As you are aware, Covanta Energy Corp. (Covanta) supports Metro Vancouver's efforts to pursue energy recovery as a sustainable solid waste management solution in accordance with the Waste Management Hierarchy.

In keeping with this goal, Covanta recently became the operator of Metro Vancouver's Energy-from-Waste (EfW) facility in Burnaby and is the developer of the proposed Gold River EfW Project on Vancouver Island. Covanta, in partnership with Green Island Energy (GIE), offers the Project as disposal capacity for 500,000 to 750,000 tonnes of municipal solid waste (MSW) from Metro Vancouver each year, and will be able to deliver 90 MW of clean, renewable energy to BC Hydro. Our proposed solution would also provide replacement transfer station facilities in New Westminster where MSW would be converted into refuse derived fuel (RDF), baled and shipped by barge to the state-of-the-art EfW facility in Gold River, BC.

It has been brought to our attention that you recently distributed information (entitled Waste Management FACT SHEET) to Lower Mainland MLAs and others to promote the benefits of modern energy-from-waste facilities over landfill facilities. While we support the development of EfW, we are concerned that the comparative analysis, as presented in the "Fact Sheet", incorrectly portrays an "out-of-region RDF facility" as being equivalent to Covanta's proposal. The comparison appears to be based on a June 12th, 2009 report by AECOM, which did not include the Gold River EfW Project in its analysis. As we have discussed with Metro Vancouver

staff and its consultants, none of the scenarios evaluated by AECOM reflects Covanta's proposed 90 MW EfW facility in Gold River.

There are a number of errors or omissions in both the "Fact Sheet" and in other public consultation materials, such as the November 4th webinar on waste management, which have been presented by Metro Vancouver staff. These include:

- The "Fact Sheet" and other materials suggest that the Performance Criteria for a 500,000 tonnes/year out-of-region RDF facility, as defined by the AECOM report, are comparable to the Gold River EfW Project. As the AECOM report does not describe a scenario comparable to the Gold River EfW Project, this cannot be the case.
- The materials leave the impression that there is a significant difference in air contaminant and greenhouse gas (GHG) emissions between similarly-sized EfW facilities located in-region and out-of-region, when in fact both facilities would be subject to the same regulatory limits and would have similar combustion and emission control technologies.
- The materials do not address the significant benefits to air quality in the Fraser Valley associated with locating a EfW facility outside the region.
- The materials do not address the fact that the Gold River EfW Project would reduce GHG emissions years earlier than an in-region EfW option.

To help clarify this situation, Covanta commissioned an 'apples-to-apples' comparative life cycle analysis (LCA) of waste management options which include Covanta's Gold River EfW Project and a similarly-sized EfW facility located in Metro Vancouver. Covanta has presented preliminary data on GHG emissions to Metro Vancouver staff, as well as to the Ministry of Environment, the Ministry of Energy, Mines and Petroleum Resources and the BC Climate Action Secretariat. The LCA findings are presented in detail below.

GREENHOUSE GASES

- EfW (either in-region or in Gold River) reduces GHG emissions relative to landfilling.
- Net GHG emissions for the Gold River EfW scenario are significantly less than the Metro Vancouver EfW scenario (Table 1) even after including all GHG sources, such as GHG production from barges taking RDF to Gold River. This difference is due to Covanta's

ability to displace gas-fired electricity supply on Vancouver Island, and to be operational by 2013 (up to 10 years earlier than Lower Mainland EfW).

Table 1 - Net GHG Emissions

GHG Emissions compared to interior landfill	Gold River EfW	Lower Mainland EfW
Tonnes CO ₂ e from 500,000 tonnes MSW	- 298,500	- 172,500

In addition, Covanta hopes to reduce the GHG production from the Gold River EfW Project even further by continuing to research and test the viability of using biomass containing waste materials, including MSW, to produce mineral quality liquid diesel fuel for use on barges. This fuel could be used directly in modern clean-burning diesel combustion engines such as those used to power RDF-hauling barges from New Westminster to Gold River, reducing GHG emissions even further.

AIRBORNE EMISSIONS

The “Fact Sheet” refers to nine different categories of airborne emissions. The Gold River EfW Project will subject to the same regulatory emission limits and compliance standards and would use state-of-the-art pollution control technology comparable to what would be required for new in-region EfW facilities. However, because the location of Gold River is approximately 300 kilometres away from the Lower Mainland, there would be no effects on the air quality of the sensitive Fraser Valley airshed. As a result, the “Fact Sheet” cannot be taken to represent relevant airborne emissions from the Gold River EfW Project, as those emissions will be dispersed in areas far from the Lower Mainland. A natural benefit to diverting MSW to Gold River will be the reduced landfilling in the Fraser Valley and associated reductions in truck diesel emissions, landfill methane and landfill air toxics.

FINANCIAL BENEFITS

The “Fact Sheet” suggests that EfW plants within Metro Vancouver will result in a net financial benefit to Metro residents – this must be examined critically, as experience shows that costs for public sector EfW projects regularly exceed initial projections. This fall, Metro has been obliged

to increase the existing tipping fee from \$69 to \$80, and there is no reliable information to indicate what that fee will be if Metro decides to build its own EfW facilities. Metro will have to take on close to a billion dollars of debt to build such facilities, and the residents of Metro will be required to service that debt for many years to come.

Covanta has proposed to Metro Vancouver a structure that would provide service on a “tip fee” basis that is competitive with current disposal costs and will be adjusted only for the cost of living over the term of the contract.

According to Waste Management Committee Chair Marvin Hunt, Metro Vancouver is proposing to build multiple smaller facilities in the Lower Mainland, presumably at existing transfer station sites. Covanta’s extensive experience in this industry shows that the cost to construct and operate multiple smaller facilities will be 30 to 40 percent higher than one larger facility built at Gold River. This is confirmed by the April 2008 Metro Vancouver staff report that demonstrates that a significantly higher tip fee would be required to support the plan for multiple EfW facilities.

Our economic comparison shows no material difference in the “cost of service” between Gold River and publicly-owned EfW in the Lower Mainland. The Gold River EfW Project does, however, provide major reduction of financial risks to Metro Vancouver, as detailed below.

RISK ALLOCATION

Risk must be assessed and allocated in any major project, and especially in the public sector. There will be significant construction and operational risks to the taxpayer if Metro Vancouver proceeds with development and operation of a number of EfW facilities with Metro Vancouver as the owner. The AECOM report does not address this critical business issue. The business structure Covanta has proposed assumes that Covanta – as developer/operator – will take on all of the development, construction cost escalation, energy pricing volatility, financing and operations risk for the entire term of the contract. For Metro Vancouver residents, this means a level of certainty and reliability of service that cannot be reached with the numerous unknowns associated with Metro Vancouver EfW, for which there is currently no site, no environmental or community approval and – most importantly – no timeline or price.

ENERGY PRODUCTION

The “Fact Sheet” implies that a EfW facility in Metro Vancouver will produce almost triple the usable energy as one at Gold River. This is not the case, as the Gold River EfW Project will

produce 90 MW of firm power for delivery to BC Hydro. On commonly used measures, this is enough power for 90,000 households, and exceeds the amount quoted in the “Fact Sheet” for a Metro Vancouver EfW facility. District heat may be produced at an in-region facility, but given the absence of existing district heating system any increase in thermal efficiency is hypothetical with its impact being influenced by seasonal use of district heat. The steady and increasing demand for electricity warrants additional electrical generation and it is clear that energy production from the Gold River EfW Project is comparable to, or better than, a Metro Vancouver EfW facility.

ADDITIONAL BENEFITS

The Gold River EfW Project represents an opportunity for significant economic benefits to British Columbia while providing a guaranteed, ready-made, competitive and in-province solution for the disposal of municipal solid waste. Covanta’s proposal has strong support from the Village of Gold River and the Mowachaht/Muchalaht First Nation, in addition to a range of other benefits, including:

- An opportunity to develop a new energy-from-waste facility outside of the sensitive Fraser Valley air shed;
- A reduction in harmful emissions from landfills including methane, criteria pollutants and air toxics.
- A reduction in vehicle traffic from the Lower Mainland to the BC Interior by 40-50 long haul trailers per day will reduce wear and tear on the road, particulate from tire and diesel particulate – a potential carcinogen.
- A solution to the difficult issue of replacing the Coquitlam Transfer Station;
- The transformation of an existing industrial “brown field” site to a beneficial use; and
- 90 MW of reliable power generated from the combustion of RDF will be transmitted to the BC Hydro system grid on Vancouver Island using existing transmission lines and interconnection infrastructure.

NEXT STEPS

Covanta supports Metro Vancouver’s efforts to pursue energy recovery as a sustainable solid waste management solution, and we applaud your efforts to engage members of the public in the important discussion on the region’s future solid waste management. We are hopeful that Metro Vancouver will correct all communication materials which reference the Gold River EfW Project in order to address the concerns outlined in this letter.

As Metro Vancouver moves toward a decision on solid waste management, Covanta believes that the region should proceed with a Request for Proposals (RFP). Such an RFP will provide the Board with the opportunity to consider a range of both public and private sector proposals for a viable, long-term solid waste management plan for Metro Vancouver, and will facilitate a practical timeline for the Board to evaluate options and ultimately determine a course of action.

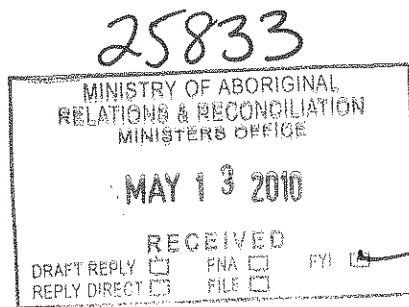
Yours very truly,

COVANTA ENERGY CORPORATION



Thomas A. Lyons, P.E
Vice President, Project Development

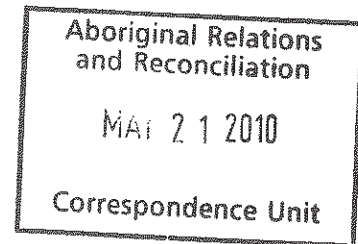
cc: Marvin Hunt, Chair, Waste Management Committee, Metro Vancouver
Johnny Carline, Commissioner and Chief Administrative Officer, Metro Vancouver
Executive Council, Government of British Columbia



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May 10, 2010

Government of British Columbia
PO Box 9051, Stn Prov Govt
Victoria, BC
V8W 9E2



Attention: Honourable George Abbott
Minister of Aboriginal Relations and Reconciliation, Government of British
Columbia

Re: Gold River Power fact sheet

Dear Honourable George Abbott:

As Metro Vancouver makes progress towards finalizing its Integrated Solid Waste Management Plan, Covanta Energy has produced the enclosed fact sheet which describes in detail the company's proposed Gold River Power Project. This modern Energy-from-Waste (EfW) development is an ideal solution to the region's current waste management challenges and provides an opportunity to deliver clean and renewable energy for British Columbia.

Covanta supports Metro Vancouver's efforts to pursue energy recovery as a sustainable solid waste management solution, and we are pleased that out-of-region EfW is currently under consideration. I would be pleased to provide any additional information or answer questions you may have upon reviewing the enclosed fact sheet.

Yours very truly,

COVANTA ENERGY CORPORATION

Thomas A. Lyons, P.E.
Vice President, Project Development



Energy-from-Waste: Modern environmentally advanced technology. Economic opportunity.

Gold River Power

A clean and renewable energy solution for British Columbia

Gold River Power is a sustainable waste management system that will serve Metro Vancouver and Vancouver Island, British Columbia. Covanta will redevelop the dormant Gold River Pulp and Paper Mill into a modern electricity-generating Energy-from-Waste (EfW) facility to **convert up to 750,000 tonnes per year of post-recycled municipal solid waste produced by Metro Vancouver and other regions into 100 megawatts of clean, renewable energy.** The project will receive waste delivered to a new transfer facility located adjacent to the Fraser River which will first process the waste and recover recyclables. Residual waste will then be transported in sealed containers by ocean-going barge from the Lower Mainland to the Gold River site.

Gold River Power is a sustainable, clean, reliable answer to Metro Vancouver's challenge to find long term solutions for the disposal of post-recycled solid waste. The project proposed by Covanta Energy will:

- Significantly reduce greenhouse gas emissions in the region
- Improve air quality in the Lower Mainland and Fraser Valley by lowering mobile sources of emissions
- Produce 100 megawatts of clean, reliable, renewable power
- Generate process steam for nearby industrial use
- Generate \$900 million in economic activity region wide during construction
- Create 1,000 new construction jobs for three years and more than 100 full-time positions while in operation
- Preserve open spaces by diverting waste from landfills

"The Village of Gold River fully endorses this project. We look forward to the long term success of Gold River Power and the tangible benefits it will bring to our community."

Craig Anderson, Mayor of Gold River

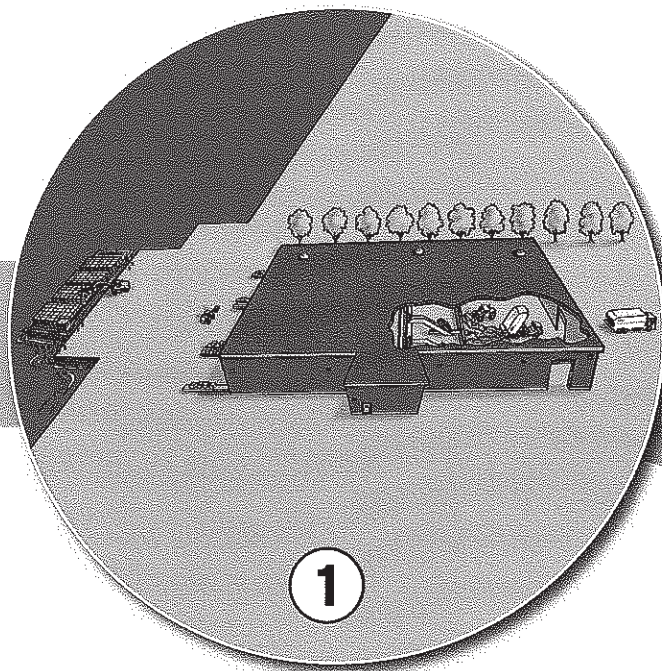


An integrated Energy-from-Waste solution

As the world's leading provider of EfW technology and services, Covanta Energy wants to invest in BC's clean and renewable energy future. In addition to offering a sustainable, environmentally superior solution that addresses the long term challenge of processing Metro Vancouver's post recycled solid waste, Gold River Power also will avoid sending Metro Vancouver's waste to a landfill in the Interior and will significantly reduce the emission of greenhouse gases into the atmosphere.

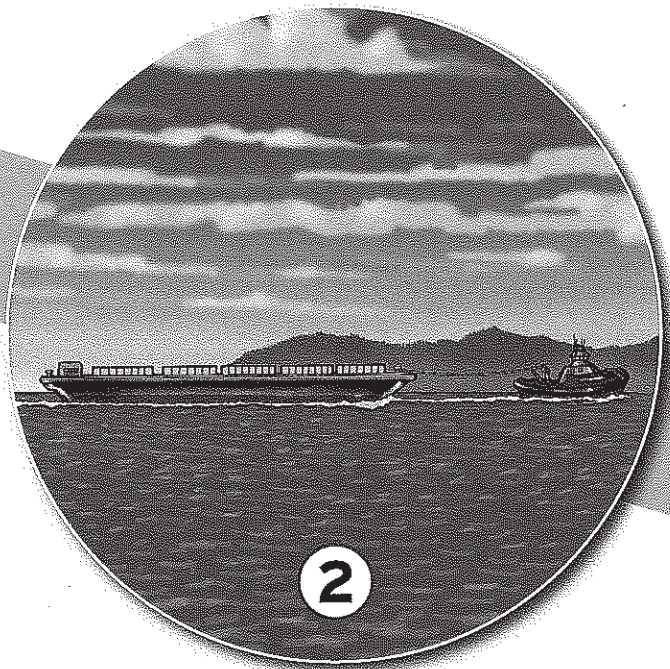
From waste to watts

EfW utilizes post-recycled municipal solid waste as fuel to generate clean, renewable, reliable base load steam and electric energy. This is a sensible and proven alternative to landfills because it avoids the pollution associated with long distance truck transportation and avoids the greenhouse gases that landfills emit. EfW also employs hundreds of tradespeople during construction and provides skilled "green" jobs during operations.



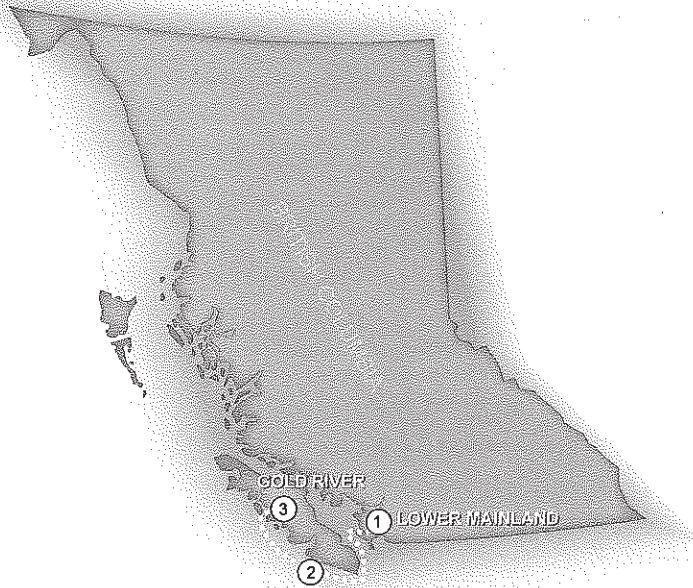
Waste Transfer Facility

- Proposed for a dormant industrial site adjacent to the Fraser River in the Lower Mainland
- Metro Vancouver and other regional solid waste is sorted and recyclables recovered
- Waste is wrapped into bales for marine transport
- This modern facility will replace the nearby waste transfer station and will bring a new, high-value use to an unused industrial property



Marine Transport System

- Wrapped waste bales are secured for barge transport
- Barge transport requires approximately 2.5 times LESS fuel than truck transport
- Covanta's marine transport system will significantly reduce GHG emissions in the region

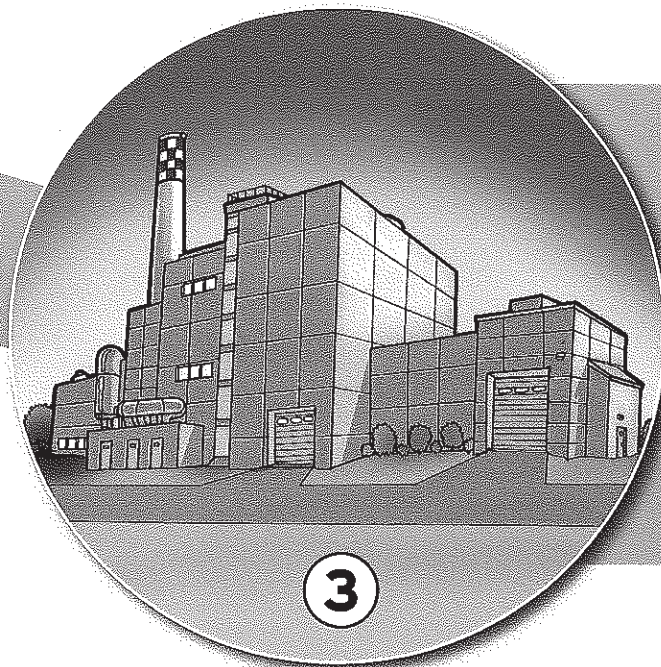


Reducing GHG Emissions

Every day, EfW helps to reduce greenhouse gas emissions. In our twenty-plus years on the job, Covanta has converted more than 250 million tons of waste into energy, thereby offsetting more than 250 million tons of GHG emissions. This is the equivalent of planting six billion trees, saving thousands of acres from becoming landfills, or powering 11 million homes for a year. During this time, we also recycled approximately five million tons of metal.

Gold River Energy-from-Waste Facility

- State-of-the-art waste combustion technologies and emission control systems
- Construction of the facility will generate 1,000 jobs and more than 100 full-time positions while in operation
- A modern facility supported by the Village of Gold River and First Nations



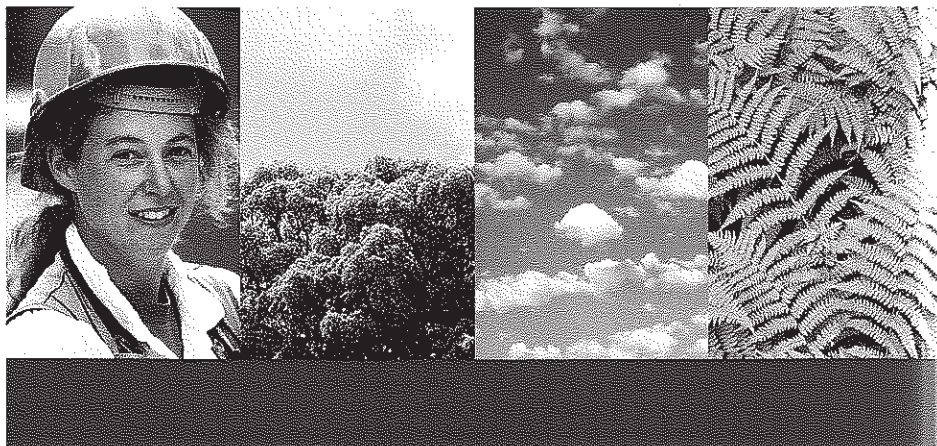
100 megawatts of clean and renewable energy



Process steam for Gold River industrial use

How does EfW work?

EfW safely and cleanly converts municipal solid waste residuals left after recycling into a reliable source of electricity using specially designed combustion and emissions control equipment. The heat generated from the combustion chambers heats up water that is then turned into steam and sent through a turbine that continuously generates electricity. Waste volumes are reduced by 90 percent into inert ash residue.



FACT: The largest source of man-made methane emissions in North America comes from landfills. Methane is a greenhouse gas that has more than 20 times the potency of carbon dioxide, and is ranked as a dangerous contributor to global warming.

FACT: EfW can convert 750,000 tonnes of Metro Vancouver waste into 100 megawatts of clean electric power – enough to power the homes of 72,000 British Columbia families every year.

“Metro Vancouver has been talking about the solution that is now standard across Europe. The Europeans call it ‘thermal treatment.’ Metro Vancouver is calling it ‘waste-to-energy’ ... You burn that which would otherwise be fodder for the landfill and you use it to create energy. In Europe, they generate enough electricity for seven million homes and enough heat to pipe into 14.3 million more. I call it sensible ‘resource management.’”

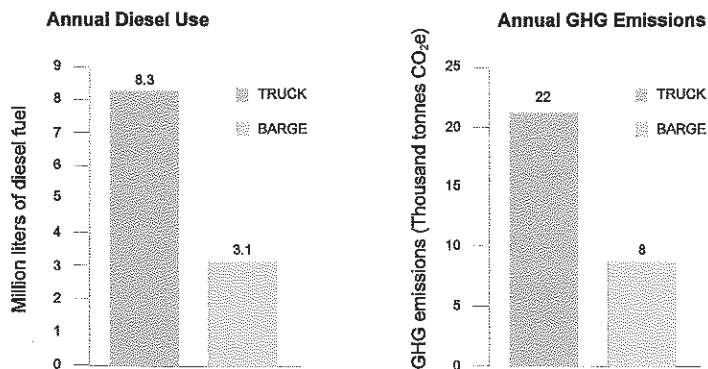
– Andrew Weaver, Canada Research Chair in Climate Modelling and Analysis, University of Victoria; Lead author in Al Gore’s 2007 Nobel Peace Prize earning UN Intergovernmental Panel on Climate Change. (Vancouver Sun, October 9, 2009)

Benefits of transporting waste by barge

COVANTA
ENERGY
for a cleaner world

About Covanta Energy

Covanta Energy is an internationally recognized owner and operator of large-scale EfW and renewable energy projects. With more than 40 EfW facilities in North America, Europe, and Asia, Covanta has earned a reputation for reliability, safety, efficiency, and environmental responsibility. We invite you to have a look at how we turn waste into energy at www.covantaholding.com.



The clean, efficient, low-emission option

By moving away from a waste disposal system that relies solely on truck transport and landfill disposal to a system that uses barge transport and EfW, Metro Vancouver can avoid a considerable amount of GHG emissions, achieve a substantial reduction in fuel consumption for waste disposal, and realize significant safety benefits by taking trucks off already crowded Lower Mainland roads.