

18th March, 2015

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To: The Mayor and Each Member of Limerick City and County Council

Proposed lease of lands at Gortadroma Landfill for a Gasification Plant

A Chomhairleoir, a chara,

I refer to the Statutory Notice dated 12th March, 2015, already circulated, in respect of the above proposed Disposal.

Introduction

Gortadroma landfill has been operating under an Environmental Protection Agency (EPA) waste licence since 1999. The landfill ceased accepting waste for disposal in May 2014 and all the waste cells are now fully capped. Aftercare operations to manage the waste as it decays, including landfill gas and leachate generated, will still be required throughout the aftercare phase which typically lasts for 30 years.

In 2011, the Council was advised of the then future closure of the landfill and the need to look at potential future options. The landfill is a major infrastructure asset for the Council. As part of a process to maximise the use of this resource, bidders were invited to express an interest and submit options on potential future uses. A preferred bidder was selected as part of this process. Their proposal is to use approximately 14 hectares of the landfill to site a Gasification Plant for the processing of municipal waste and the generation of electricity.

Proposal for a gasification plant at Gortadroma

The bidder, Cadence EnviroPower, is a joint venture Irish registered company set up between two American Corporations, Cadence Infrastructure Inc. and EnviroPower Renewable Inc. The joint venture has proposed a lease 14 hectares of the landfill site at Gortadroma to set up a Gasification Facility to process municipal waste.

Cadence EnviroPower would take over full responsibility for the area that they lease with the Council responsible for the remainder of the site, which is currently covered by the Waste Licence issued by the EPA.

Gasification

Gasification is a partial thermal oxidation which results in a high proportion of gaseous products, smaller quantities of char, ash and condensable compounds. The gas produced is versatile and it is possible to standardize the quality of the gas. The waste would be heated to 1000°C under pressure and any material containing carbon would be oxidized and converted to a synthetic gas called Syngas. Any inorganic material would be converted to slag/ash, the volume of which is less than 5% of the incoming waste. The Syngas will feed standard gas engines to produce up to 30MW of electrical power to the national grid.

Key Statistics associated with the proposed development

- Capital investment of €240m
- Estimated to create 150 permanent jobs not including construction phase
- Will generate up to 30MW of power for export.
- Will be able to treat up to 300,000 tonnes of municipal waste per year.
- An initial signing fee of €50,000 payable to the Council.
- The rent, when the plant is operational, will be €4m per year.
- A community contribution of €100,000 per annum to be placed into a local development fund jointly managed by the Company and the Council.

The Agreement Documents

The lease is divided into two parts. The "Lease" is only activated once certain pre-conditions in the "Agreement to Lease" are met. These preconditions include obtaining the necessary Planning Permission and the EPA Waste Licence.

1) Agreement to Lease – Key Points

- When the agreement to lease is signed a signing fee of €50,000, excluding VAT will be paid to LCCC.
- The Company has 5 years in which to obtain all the necessary permissions to build and operate a gasification plant including planning permission and the EPA Waste licence.
- The Company must pay the Council €4m. excluding VAT as the first years rent once all the permissions are obtained, and before any works can commence on site.
- If the above conditions are not met, no lease is entered into.
- No works can commence on site during the "Agreement to Lease".

2) The Lease – Key Points

Providing all the terms of the "Agreement to Lease" are met, a lease is entered into.

- The Company must pay the Council a quarterly rent of €1m., index linked (excluding VAT)
- The Company must pay into a local development fund a sum of €100,000 per annum while operational.
- The Lease is for a period of 30 years.

A number of presentations have been given to the Adare – Rathkeale Municipal District Meeting in relation to this proposal.

Accordingly, the approval of the Council is now sought to this proposed disposal.



Kieran Lehane
Director,
Environment & Water.

LIMERICK CITY AND COUNTY COUNCIL

Merchants Quay,
Limerick.

12th March, 2015.

**TO / THE MAYOR AND EACH MEMBER OF LIMERICK CITY
AND COUNTY COUNCIL**

A Chomhairleoir, a chara,

Notice is hereby given, in accordance with the provisions of Section 183 of the Local Government Act, 2001, and Section 211 of the Planning and Development Acts, 2000 to 2014, of the intention of the Council to dispose the property described hereunder on the conditions specified.

Land: 14 hectares of land located within Gortadroma Landfill, Ballyhahill.

Persons from whom acquired: T. Neville, Monemohill, Ballyhahill; P. Nash, Ballyhahill; J.J. Collins, Ballyhahill; M. Woods, Clounlehard, Ballyhahill; P. Kelly, Ballyhahill.

Person to whom land is to be disposed: Cadence Enviropower Limited, 4 The Crescent, Limerick.

Consideration: Signing fee of €50,000. When planning permission and waste licence are in place, a rent of €4,000,000 per annum is payable. In addition, a contribution to a Local Community Fund of €100,000 per annum.

Covenants / Conditions / Agreements: The disposal will be by way of Lease Agreement for a period of 30 years following granting of all authorisations.

The Council shall resolve at a meeting held after the expiration of ten days from this date that the disposal of the lands:

- (1) Shall not be carried out, or
- (2) Shall be carried out in accordance with the terms specified in the Resolution.

If the Council does not pass a Resolution to either effect, the disposal may be carried out in accordance with the terms of this Notice.

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CHIEF EXECUTIVE.