



February 5th, 2010

McGill University Health Centre
Attention to: Mr. Mohamed Khouchane
2155 Guy Street, Suite 200
Montreal, Quebec
H3H 2R9

Subject: Verification report of a Greenhouse-Gas Emissions (GHG) reduction report at McGill University Health Centre (MUHC)

Period: January 1, 2002 to December 31, 2008

Mr. Khouchane,

As requested, we carried out the verification of the Greenhouse-Gas Emissions (GHG) reduction report of McGill University Health Centre (MUHC).

This verification mandate was performed in accordance with ISO 14064-3 International Norm entitled: *Specifications and management lines for validation and verification of the reduction of Greenhouse-Gas Emissions (2006)*.

We have deeply examined and corroborate the information included in the quantification report for Greenhouse-Gas Emissions (GHG) reduction that you will find enclosed with this letter. We asked the necessary questions and obtained satisfactory answers.

Moreover, our verification plan envisaged a visit to some of the MUHC hospitals with the purpose of corroborating the hospitals energy efficiency modifications; we could note Greenhouse-Gas Emissions key elements.

The GHG reduction report indicates emissions reduction of 38110 tCO₂e for the period of: January 1, 2002 to December 31, 2008.

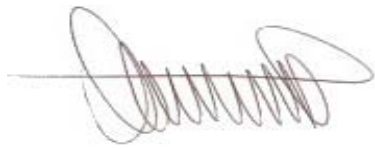
In our opinion; based on our verification, the GHG assertions presented in the quantification report dated January 27th 2010, which covers the period from January 1, 2002 to December 31, 2008, are fairly stated. Therefore, the quantification report:

- Is free of material misstatements and it is an appropriate representation of the data and GHG information.
- Is prepared under the ISO 14064-2 standard: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emissions reduction or removal enhancements.
- Has a low degree of uncertainty and takes into account the materiality paragraph included in our audit report. Please refer to page 4 of 7.

GDTS Environnement inc.

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For more information, please consult the attached report as well as the quantification report of Greenhouse-Gas Emissions (GHG) reduction prepared by the firm L2I Financial Solutions dated January 27th, 2010.

A handwritten signature in black ink, appearing to read 'Roger Fournier', written over a horizontal line.

Roger Fournier CA
President
GDTS Environnement inc.

**Verification of a Greenhouse-Gas Emissions (GHG) reduction project
McGill University Health Centre
File # 090306**

Attention to:

Mr. Mohamed Khouchane
McGill University Health Centre
2155 Guy Street, Suite 200
Montreal, Quebec
H3H 2R9

Report drafted by:

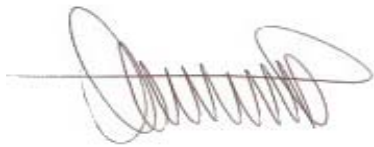


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Freddy Samuel CGA
GHG Verifier

February 5th, 2010

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Date

Report reviewed by:



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Roger Fournier, CA
President
GDTS Environnement inc

February 5th, 2010

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Date

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1. Verification objectives, criteria, and assurance level

The verification steps followed on the documentation supporting the Greenhouse-Gas Emissions (GHG) reduction declaration of the MUHC thus the visits of 3 hospitals premises held on October 6th, 2009, had the purpose of allowing GDTs Environnement inc. to issue a verification report regarding the Greenhouse-Gas Emissions reduction of MUHC for the period of January 1, 2002 to December 31, 2008. This is with a reasonable assurance degree, as agreed with the client.

a) Scope:

The MUHC head office is located at 2155 Guy Street, Suite 200, Montreal, Quebec H3H 2R9 and the baseline scenario used is the status quo situation, meaning the MUHC would not have made any modification with the purpose of improving its energy efficiency.

The main GHG sources are natural gas consumption, oil consumption and electricity consumption required in heating, hot water and vapour production requirements of the MUHC hospitals among primary usages.

Types of GHGs: Carbon Dioxide CO₂, Methane CH₄, and Nitrous Oxide N₂O

b) Criteria:

The verification mandate was conducted under ISO 14064-3 International Standard, entitled: *Specification with guidance for the validation and verification of greenhouse gas assertions (2006)*.

The reader must be aware that this report relates exclusively to the verification of a Greenhouse-Gas reduction project and not on project validation.

The verification report is formally presented on section 6.0. However, it remains important, the entire verification report should be taken into account for the purpose of project decision making.

c) Assurance level:

Reasonable assurance degree, as agreed with the client.

1.1 Client Responsibility (ies):

It is the client's responsibility to ensure the information stated in the GHG quantification report is free from material misstatements, whether due to fraud or error.

2. Verification Team

The team conducting the verification was composed by:

- Roger Fournier CA, Internal Peer Reviewer
- Freddy Samuel CGA, Lead verifier
- Laurent Fournier, Verifier

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3. Information on the organization aimed by the verification of the project.

The GHG reduction report clearly defines the project description, project scenario, baseline scenario, GHG emission sources, and the time frame covered by the project.

We did not consider it necessary to provide the intended users' report with full details of the information contained in this project. However, the reader will find the information below useful for decision making.

3.1 Project Scenario

Since 2002, the MUHC has put in place a project in order to improve energy efficiency of its various hospitals premises as follows: Montreal General Hospital (MGH), the Montreal Children's Hospital (MCH), the Royal Victoria Hospital (RVH), the Montreal Chest Institute (MCI), and the Montreal Neurological Hospital (MNH). With the purpose of reducing overall energy consumption, the MUHC has undertaken several actions, such as, replacing inefficient gas boilers by new high efficient ones; installation of automatic controls for the ventilation; heating and conditioning systems; and replacement of the absorption refrigerating systems by centrifugal coolers are among the MUHC main changes toward energy efficiency.

3.2 Baseline Scenario

In the quantification report, the quantifier has evaluated and analyzed some potential baseline scenarios and finally chose the one where no action is taken to improve energy efficiency of the MUHC hospitals.

We are comfortable with the use of this baseline scenario.

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3.3 Emission sources for project scenario and baseline scenario (table drawn from the project)

Table 9 - Emission sources comparison (metric tons CO₂ eq)

Project Scenario Energy efficiency and fuel switching measures		Baseline Scenario Status quo on energy efficiency and fuel switching measures	
	Emission factors - Project - (Factors: metric tons CO ₂ eq/ type of energy)		Emission factors - No-project - (Factors: metric tons CO ₂ eq/ type of energy)
PS1: RVH+MNH - New heating and hot water systems and Central Command	National Inventory factor: 1.903 x 10⁻³ tCO₂ eq/m³ natural gas; National Inventory factor: 2.7351 x 10⁻³ tCO₂ eq/L oil no.2; and National Inventory factor: 6.0 x 10⁻⁶ tCO₂ eq/kWh electricity	BS1- Inefficient heating and hot water systems	National Inventory factor: Same emission factor as the project scenario
PS2: MCH - New heating and hot water systems and Central Command	National Inventory factor: 1.903 x 10⁻³ tCO₂ eq/m³ natural gas; National Inventory factor: 2.7351 x 10⁻³ tCO₂ eq/L oil no.2; and National Inventory factor: 6.0 x 10⁻⁶ tCO₂ eq/kWh electricity	BS2- Inefficient heating and cooling systems	National Inventory factor: Same emission factor as the project scenario
PS3: MCI -Energy Switch for the heating and hot water systems	National Inventory factor: 1.903 x 10⁻³ tCO₂ eq/m³ natural gas; and National Inventory factor: 6.0 x 10⁻⁶ tCO₂ eq/kWh electricity	BS3- Inefficient heating and hot water systems	National Inventory factor: 1,9 x 10⁻³ tCO₂ eq/m³ natural gas
PS4: MGH -	National Inventory factor: 1.903 x 10⁻³ tCO₂ eq/m³ natural gas; National Inventory factor: 2.7351 x 10⁻³ tCO₂ eq/L oil no.2; and National Inventory factor: 6.0 x 10⁻⁶ tCO₂ eq/kWh electricity	BS4- Inefficient heating and hot water systems	National Inventory factor: Same emission factor as the project scenario

BS: Baseline Scenario GHG emission source
PS: Project Scenario GHG emission source

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3.4 Period covered by the project

January 1, 2002 to December 31, 2008

3.5 Organization GHG Declaration (table taken from the project report)

Table 8 – Project Emissions Reduction Summary(metric tons CO₂ eq.)

Year	Total GHG Emissions Reduction (tCO ₂ eq)
2002	430,66
2003	3 216,06
2004	6 370,27
2005	6 640,82
2006	5 723,06
2007	7 591,81
2008	8 138,16
Total	38 110,83

3.6 Materiality

The verification planning process ought to take into account the concept of materiality. Materiality threshold was evaluated as an aggregated issue for the entire file. During the verification process we pointed the materiality threshold had not been surpassed.

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4. Context and Verification Activities

GDTS Environnement inc. has been mandated by the McGill University Health Centre to undertake the verification of a quantification project that was submitted to us on September 14th, 2009. Thereafter, a visit to three MUHC's premises was held on October 6th, 2009; we've met with Mr. Mohamed Khouchane, Specialist in Administrative Procedures, Mr. Gilles Perron, Supervisor for CUSM Energy Efficiency and Mrs. Azad El Akel, Engineer. A verification plan was given to Mr. Khouchane before our visit.

4.1 Conflict of interest review:

Prior to beginning any verification projects, GDTS Environnement inc. conducts an evaluation to identify any potential conflicts of interest associated with the project. No potential conflicts of interest were found for this project.

4.2 Preparation of visit to the Company's premises and verification procedures for the visited premises

A first review of the documentation was undertaken on September 14th, 2009 prior to visiting the premises. This allowed us to plan ahead the aforementioned visit among the required verification Procedures.

With the purpose of pursuing the verification to be undertaken at the McGill University Health Centre, we've met with Mr. Mohamed Khouchane, Mr. Gilles Perron and Mrs. Azad El Akel, on October 6th 2009.

Following our sampling procedure, we visited three hospitals to ensure that we cover each measure of energy efficiency the MUHC has undertaken.

Moreover, the following points were revised with Mr. Khouchane, Mr. Perron and Mrs. El Akel:

- Accounting of the various consumptions of natural gas;
- Company's internal control with the purpose of assessing verification risk;
- Environmental aspects;
- Emission sources and GHG involved.

We were provided with the necessary documents for the application of our verification sampling procedures. Thereafter, we were in the capacity to apply all of our verification procedures.

During the course of our verification, we received the necessary cooperation and documents required from the company's management.

4.3 Preparation of the verification report

The preparation of the verification report was performed following the meeting with management of the MUHC and the revision of the documents. The demand for information and corrective actions were transmitted to the quantifier and the MUHC in order to complete the verification report. We are satisfied with the information obtained from them.

The requirement call for ISO 14064-2 Standard was fulfilled.

The reductions are presented in metric tons of CO₂ equivalent.

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5. Evaluation of the GHG quantification method related to the project

5.1 Standards used:

As per information provided by the quantifier; the quantification report was prepared based on ISO 14064-2 standard.

During our verification we were assured of the conformity to the ISO 14064-2 standard. In the development of the quantification report, the quantifier has respected the principles of pertinence, completeness, coherence, accuracy, transparency and acted conservatively.

5.2 Choice of quantification methods, emission sources, and pertinent types of GHG emissions

In the calculations of the reductions, the quantifier has taken into account the emission factors coming from the National Inventory Report (1990-2006), Greenhouse Gas Source and Sinks in Canada, which is in our opinion, a reliable source.

The quantifier has also based some calculations on consumption estimations. The energy consumption data used for the quantification comes from all the CUSM's buildings. Those energy consumptions were weather normalized with the Heating Degree Days' method (HDD). Heating Degree Days' method assesses recent energy performance by comparing recent consumption with a past-performance-based estimate of expected consumption. This process is used to identify excess consumption (or overspend), and to quantify the savings from improvements in energy efficiency.

We have deeply examined the above estimations and are comfortable with them.

Finally, we are comfortable with the quantification method and the emission factors choice.

The various gases involved at the McGill University Health Centre are Carbon Dioxide (CO₂), Methane (CH₄), and Nitrous oxide (N₂O).

The data concerning the consumption of natural gas, electricity and bunker oil was subject to our verification.

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5.3 Evaluation and consideration of the uncertainty

We agree on the analysis done by the quantifier regarding the degree of uncertainty, which is considered low. Indeed, the emission factors mostly come from Environment Canada, which is an official source. We consider the internal control of the MUHC as being good and limit uncertainty related to data collection.

5.4 Quality project management and conservation of documents

With regards to the management of data and the conservation of documents, the report is explicit on this subject. Also, the verifications that we performed on this data as well as the information received from our meeting and from management have confirmed adequate data management and conservation.

6- Verification report on the GHG declaration

In our opinion; based on our verification, the GHG assertions presented in the quantification report dated January 27th, 2010, which covers the period from January 1, 2002 to December 31, 2008, are fairly stated. Therefore, the quantification report:

- Is free of material misstatements and it is an appropriate representation of the data and GHG information.
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Confidentiality

GDTS Environnement inc. assures the confidentiality of all information provided to them during the course of the verification, as well as documents provided by the company which will be preserved in their files afterwards for a period of five years. No relative information of the present verification will be communicated to a third party, other than an organization that accredits, without obtaining the written authorization from the client. Besides, the content of this verification report cannot be used entirely or in part without obtaining the authorization from GDTS Environnement inc.