



Covanta SEMASS & Cape Cod Commission Group Partnership

August 27, 2013



Covanta Energy Overview

“Covanta has clearly separated themselves from the competitive field... This is the type of facility operator we want to partner with...one that is innovative, caring for their workforce, and environmentally conscious.”

*James D. Warner, Executive Director
Lancaster Solid Waste Management Authority*

Introduction to Covanta Energy

Energy-from-Waste Leader

- Covanta Holding Corporation (NYSE: CVA)
- Largest EfW operator in the world
 - *Global presence; local relationships*
 - *North America, Asia & Europe*
 - *4,200 employees*
- 44 EfW facilities owned and/or operated
 - *20 million tons of waste per year*
 - *9,000,000 MW-hr of renewable energy/yr*
- Strong balance sheet & stable business



Covanta SEMASS

"Covanta Energy, through the dedication and hard work of its management and employees, has demonstrated leadership in the area of occupational health and safety."

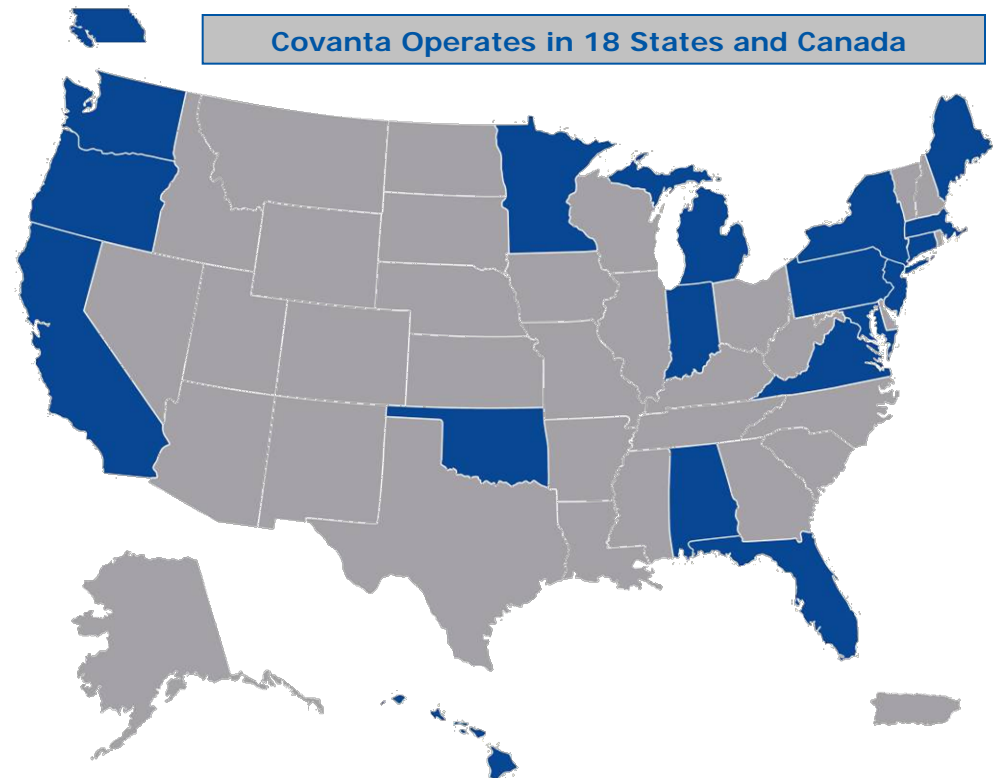
*Mark R. Warner
Former Governor of Virginia*

COVANTA
ENERGY
for a cleaner world

Introduction to Covanta Energy

North American Operating Portfolio

- Corporate Headquarters Morristown, NJ
- 41 EfW facilities (240 TPD to 3,000 TPD)
- 13 Transfer Stations
- 3 Ash monofills and one landfill
- 8 Biomass to electricity facilities
- 5 Landfill gas to energy facilities
- 2 Hydro electric facilities



"Meeting our renewable targets will also require a number of other changes: more onshore wind farms sited in the right places, greater use of energy derived from waste, a major expansion of energy from biomass...more solar power"

*Gordon Brown
U.K. Prime Minister*

Introduction to Covanta Energy

International Portfolio

• Europe

- Office outside Birmingham, England
- Ireland – Dublin EfW Project (about to start construction)
- UK – pursuing over 10 new EfW facilities

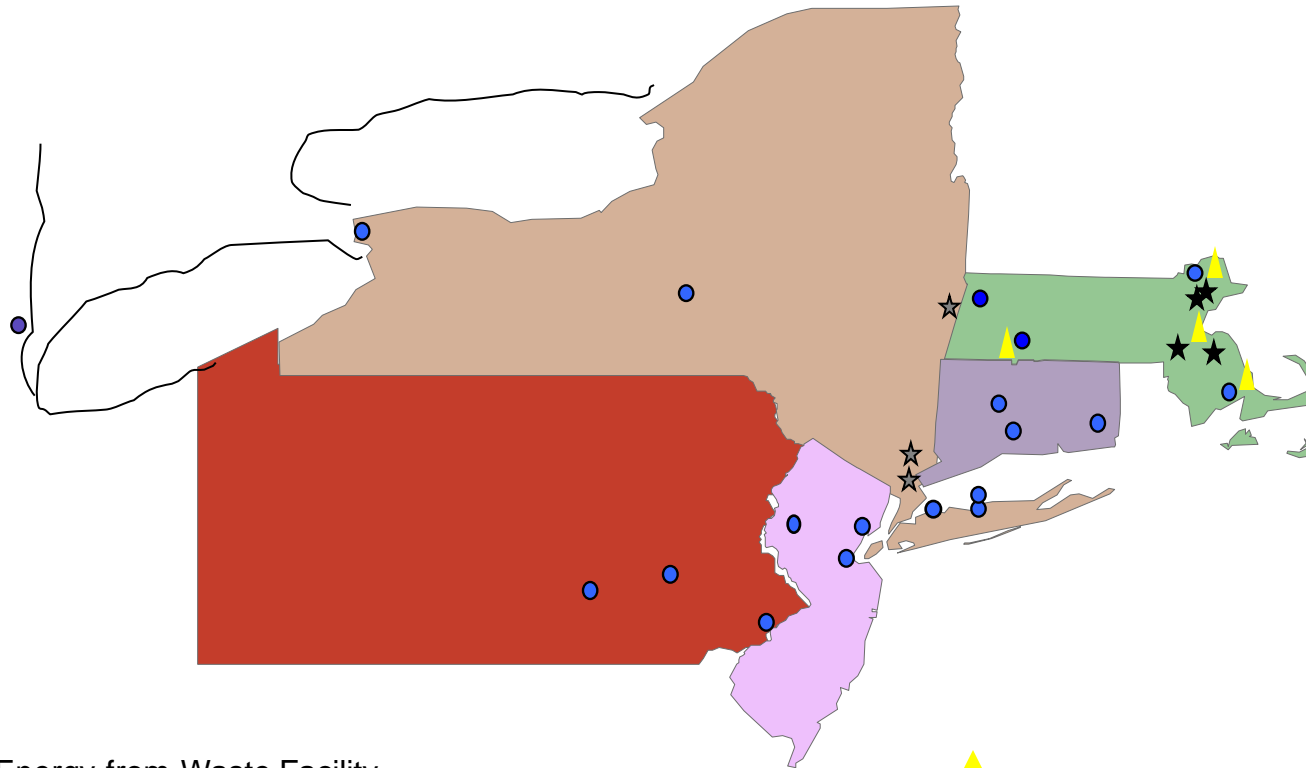
• Asia

- Office in Shanghai, China
- China – Sangfeng/Covanta JV
 - 2 EfW facilities operating
 - 2 EfW facilities about to be built
 - More EfW being pursued
- India, Bangladesh, Philippines – 4 IPP facilities





Regional Infrastructure System



● Energy-from-Waste Facility

•CT- 0.7m TPY

•MA- 2.0m TPY (SEMASS, Haverhill, Pittsfield, Springfield)

★ Transfer Station

•MA- 0.9m TPY



Landfill or Ash
Monofill

•MA- 1.2m
TPY

CVA has 130 Municipal Partnerships in the NE Region



Covanta Recent Events

- **Covanta Bristol Single Stream Transfer Station**
- **Covanta Anaerobic Digestion/Organics Project**
 - MOU executed for facility to serve CT communities
- **Acquisition of Camden Resource Recovery Facility from Foster Wheeler**
 - 1,050 tons per day Energy-from-Waste facility in NJ
- **New York City Solid Waste Contract**
 - 20-year contract executed to convert 800,000 tons per year of waste from Queens & Manhattan into clean renewable energy
 - Waste will be transported via railcars & barges to Covanta Energy-from-Waste facilities
 - Covanta & NY City joined together to reduce greenhouse gas emissions by diverting waste from landfills and eliminating long-haul truck transportation !



Advantages Provided by Covanta Energy



Energy-from-Waste and Incineration They are NOT the Same !

- What's the difference between an incinerator and an Energy-from-Waste (Efw) facility such as Covanta SEMASS?
 - The term "incineration" is often used erroneously when discussing Efw
 - **Incineration** is an uncontrolled combustion process without energy recovery
 - Incineration facilities have NOT operated in Massachusetts for many years
 - Incinerators were widely known as polluters and dangerous for the environment
 - By Contrast, **Energy-from-Waste facilities, such as Covanta:**
 - Use municipal solid waste (MSW) as the primary fuel source
 - Recover electricity and steam
 - Burn waste in specially designed boilers to ensure complete combustion
 - Use state-of-the-art pollution control equipment to scrub emissions, preventing release into the environment
 - **The result is clean, renewable energy !**



Advantages Provided by Covanta

Dependable & Predictable Service

- State-of-the-art Efw Facility
 - SEMASS operates 24/7, 365 days/yr
 - Exceptional plant operational performance annually exceeding 93% availability
 - Ten's of millions \$\$ spent annually to ensure reliability is maintained
 - Highly trained & dedicated management team & workforce always seeking opportunities to improve the facility



Covanta SEMASS

End result is a facility that communities can ALWAYS count on to be able to dispose of their solid waste



Advantages Provided by Covanta

Sound & Responsible Environmental Disposal



Two Choices for Post-Recycled Waste



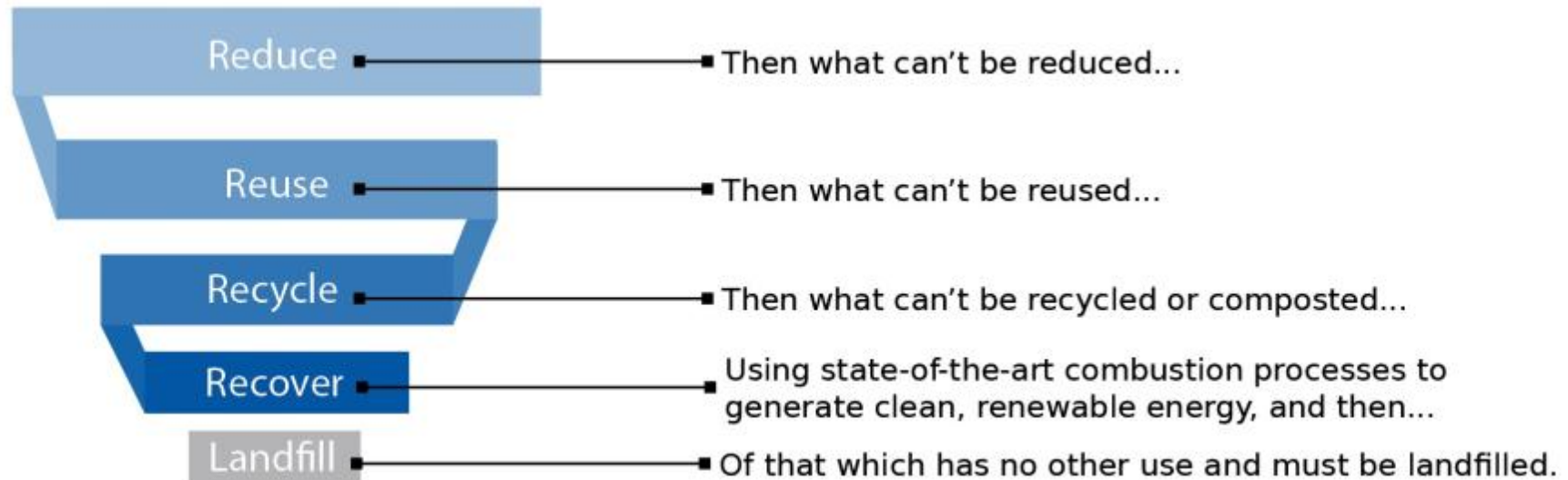
- Landfills are a major source of man-made methane
- Methane is 25X more potent than Carbon Dioxide
- Leachate generation: ground water contamination
- Non sustainable use of land
- Renewable energy generation from landfills:
65 kWh per ton of waste

- 90% reduction of waste in volume
- Clean energy generation
- Recovers metals for recycling
- Offsets on average one ton of carbon dioxide equivalent for each ton of waste processed
- Renewable energy generation from EfW:
550 kWh per ton of waste



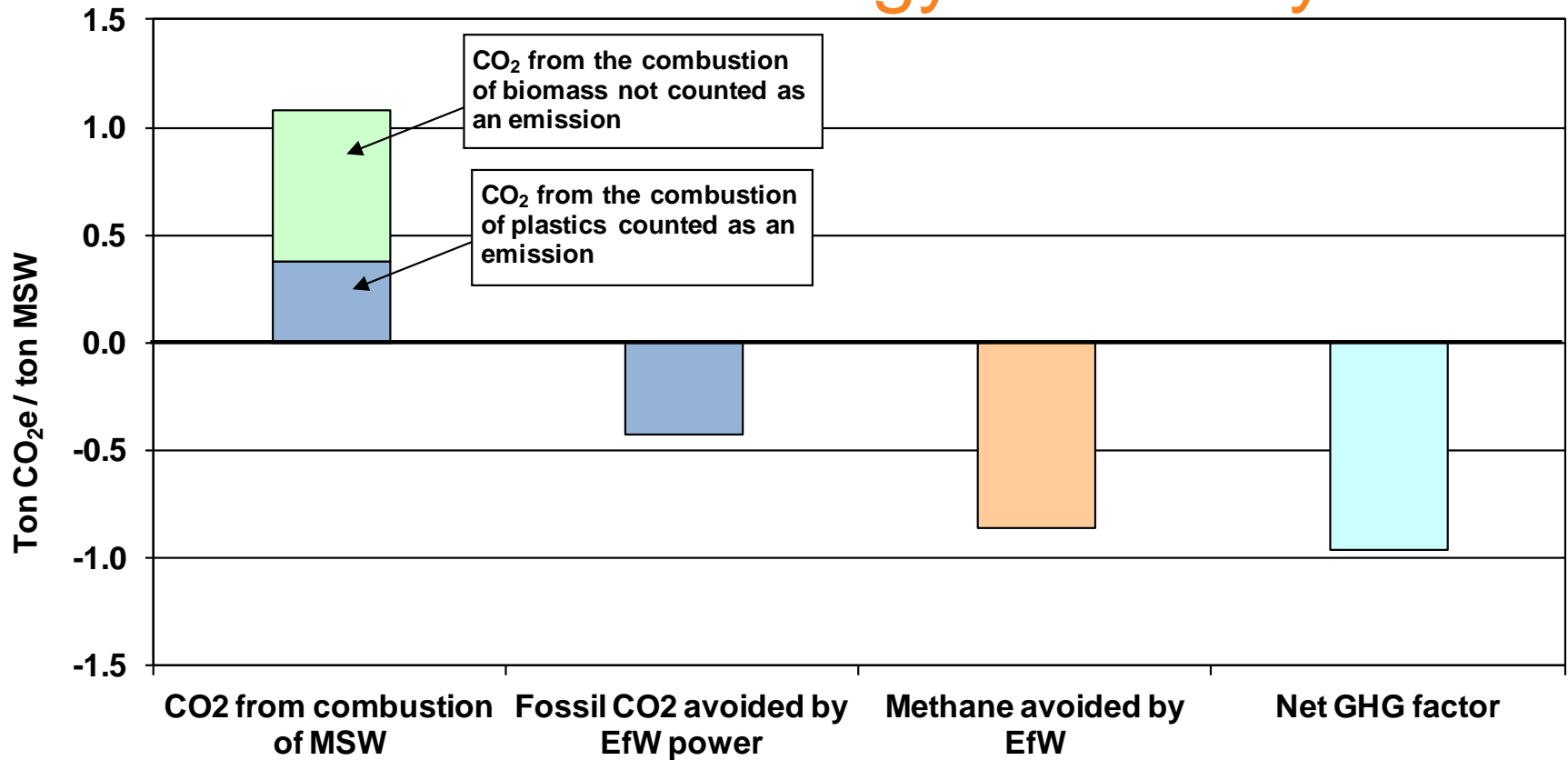
Solid Waste Management Hierarchy

- The European Union and the U.S. EPA have both concluded that following the waste management hierarchy generally maximizes energy savings and minimizes greenhouse gas emissions.





The GHG Value of Energy Recovery



"... MSW combustors actually reduce the amount of GHGs in the atmosphere compared to landfilling. The savings are estimated to be about 1.0 ton of GHGs saved per ton of MSW combusted."

U.S. EPA, Energy Recovery Webpage, <http://www.epa.gov/wastes/nonhaz/municipal/wte/airem.htm#7>



Advantages Provided by Covanta

Available Renewable Energy Grant Funding

- Mass DEP Sustainable Materials Recovery Program (SMRP) Trust
 - *Renewable Energy-from-waste facilities fund this program through the sale of Class II Renewable Energy Credits*
 - *Allows Covanta communities the opportunity to receive grant funding from the MA DEP for Carts, PAYT, etc*
 - *Since the program began in 2010, SEMASS has contributed nearly \$5.0m into this fund for Mass communities to receive benefits from !*

Solid Waste disposed at landfills does not contribute to this funding !



Advantages Provided by Covanta

Mercury Separation Program (MSP)

- Mercury Reduction & recycling programs
 - Light bulbs, thermometers & other items
- Local Education & Outreach
- School clean-outs

Over 5,000 pounds of mercury reclaimed in last 10 years !



Advantages Provided by Covanta

Other Hazardous Material Removal Programs

- SEMASS funding & partnership with groups such as the Cape Cod Cooperative Extension provides communities:
 - Resident household hazardous waste collections
 - Medical needle/sharps collection & disposal
 - Unused prescription buy-back program
 - Controlled disposal of narcotics for local law enforcement



Advantages Provided by Covanta

Rail Transportation Option for Cape Towns

- Each year, more than 100,000 tons of solid waste is transported to SEMASS by rail, providing benefits to Cape Cod residents, including minimized truck traffic
- Covanta is optimistic that we will be able to announce soon the opportunity for additional Cape communities to utilize the Barnstable/Yarmouth Transfer Station rail service



Advantages Provided by Covanta

Bundled Service Provider

- Covanta now provides communities with a convenient one source solution for:
 - Recycling
 - Composting & organic waste management
 - Electronic waste (“E-waste”) recycling
 - Secure medication disposal
 - Bulky waste disposal
- Benefits
 - One-company with over 25-years of proven track record
 - Single point of contact & cost savings opportunity



Covanta Recycles

Bristol, CT regional Single-Stream facility will service 14 municipalities





Covanta Recycles

Covanta is developing an Anaerobic Digestion facility in Bristol, CT to serve the yard, food & bio-solid waste disposal needs of 14 Connecticut municipalities



Covanta Recycles

- Covanta strongly supports recycling and currently accepts recyclable materials at the following area facilities:
 - Barnstable/Yarmouth Transfer Station
 - Holliston Transfer Station
 - Lynn Transfer Station
- Covanta is actively evaluating establishing additional sites in the area's that serve our communities
- The Town of Plymouth and Covanta have agreed to evaluate establishing a regional Anaerobic Digestion facility in Plymouth



Covanta Recycles

E-Waste Recycle Services

- Covanta has established E-waste facilities in Philadelphia, PA & Bristol, CT
- Covanta's Philadelphia processing facility serves municipalities in PA & NJ, processing 2 million pounds annually !
 - Facility also services many large local businesses (Hershey, Merck, etc)
- Covanta's Bristol, CT E-Waste collection center serves 14 Connecticut towns
 - Annual volume of 1.3 million pounds (and growing !)

Covanta is looking to expand E-Waste services to Cape Cod & Southeastern MA communities



ECOvanta Shredder and De-Manufacturing Line



Shredder



More from Covanta

CNG Filling Stations

- Covanta continues to go “Green” and is implementing CNG filling stations
- Our Essex, NJ is in operation and haulers are utilizing to run with clean energy !





More from Covanta

CNG Filling Stations





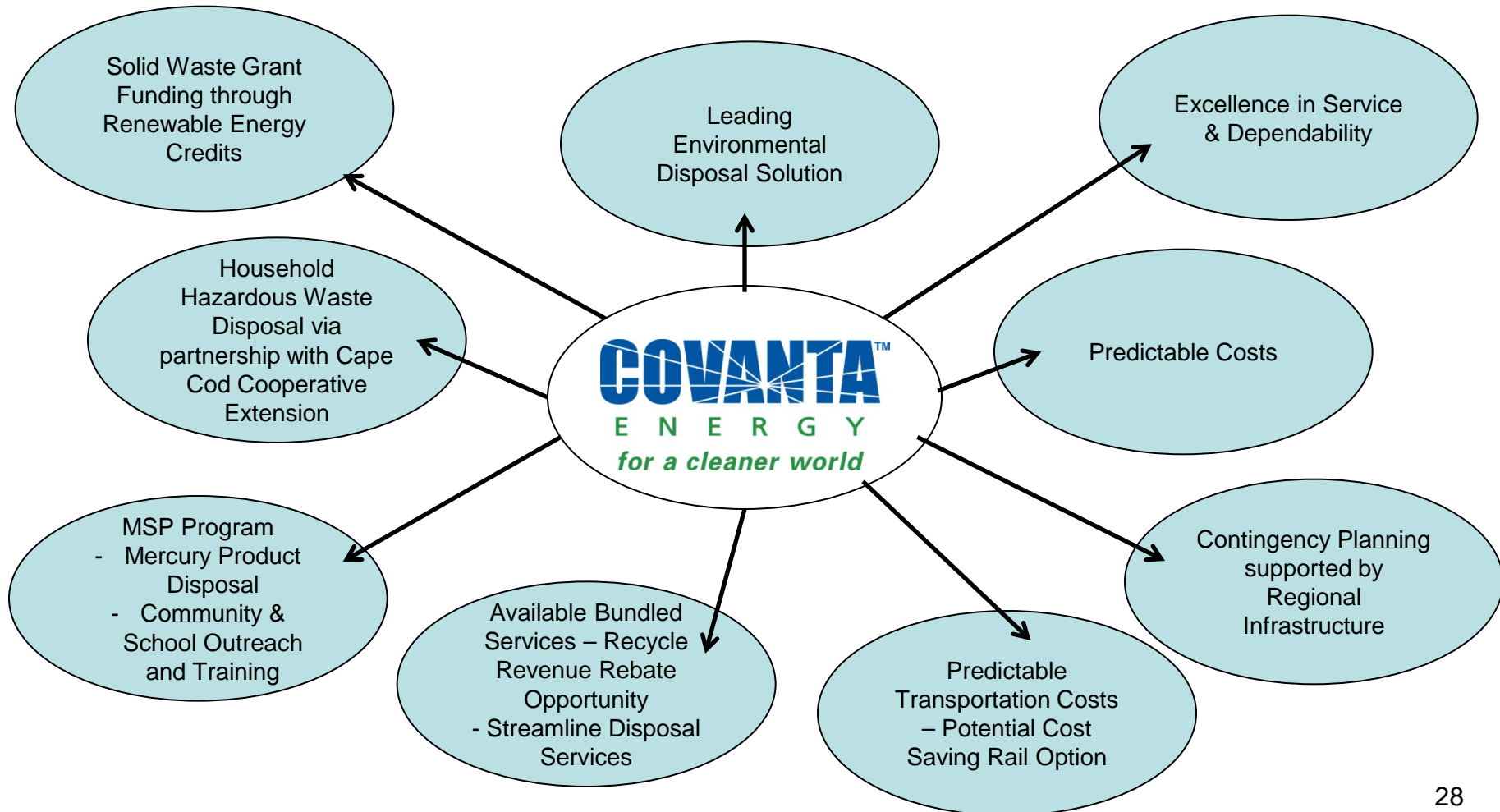
More from Covanta

CNG Filling Stations

- *At SEMASS, plans are underway to construct a CNG filling station at the Rochester site*



Advantages of Long-Term Partnership with Covanta Energy





Cape Cod & Southeastern, MA Partnerships



Recent Communities to Renew with SEMASS

Braintree: 17-year contract extension

Norwell: 15-year contract extension

Quincy: 10-year contract extension

Plymouth: 5-year contract extension

Kingston: 15-year contract extension

Sandwich: 10-year contract extension



Covanta Contract Proposal Key Terms

- 1) Term: 10-year initial term; 5-year mutual option term
- 2) Tipping Fee & Community Outreach Funding:
 - a. \$65.00/ton Tip fee Effective 1/1/2015; 2.5% annual escalation
 - b. Community Outreach Funding: Covanta to provide \$0.25/ton for each ton of MSW delivered to be used for recycling efforts and education. If the aggregate tonnage from the group exceeds 75,000 tons, outreach funding shall increase to \$0.50/t.
- 3) Tonnage Requirement:
 - a) Town's shall deliver to SEMASS all waste generated within the town over which it has control or the right to direct
- 4) Additional Services: Covanta seeks Right of First Refusal to provide the community with additional bundle of service and seeks rights to recycling, e-waste, organic materials, secured medication or bulky waste for contracts longer than one-year



Summary

- Covanta remains the leading solution for the Cape Cod's solid waste disposal
- Continue to partner with the leading solid waste disposal service provider
- Execute contract by November 15, 2013
- Covanta is excited to continue to serve you !



Thank You !