

## **MRC Responses to B. Lippincott/N. Thurlow Questions – 2/13/2015**

- 1.) What will the odor impact be of 100+ trucks a day hauling trash from various communities, coming & going to the waste sorting facility? Impact of truck odor + impact of doors opening from facility and inside odors escaping.

**Odor will be carefully controlled inside the facility. The tip hall will be managed with negative pressure to contain odor inside. We expect far less than 100 trucks per day and most will enter the access road just a short distance from I-95. Moreover, the new facility will be designed to process MSW as it is accepted without the need to maintain inventories in the tip hall, which will reduce substantially the potential for fugitive odors as compared to the PERC facility.**

- 2.) Will trucks be coming & going 24 hours a day? What are the hours the facility will be open to truck traffic?

**No. The final hours of operation are not settled, but hours along the line of 6 am to 6 pm, five and one-half days per week, are more likely.**

- 3.) Will there be fully loaded tractor trailer trucks as well as dump trucks?

**Yes**

- 4.) What are the predicted emissions from the plant from escaped methane. Will there be other gases created by the process that might also escape?

**The MSW itself will be managed aerobically until it is sterilized at the wash/pulp stage of the process. No fugitive methane would be generated from MSW at this stage of the process.**

**Methane will be created under controlled conditions inside the anaerobic digestion tank. All tanks, piping and flow devices will incorporate appropriate pressure monitoring and methane detection devices, sensors and controls to minimize potential leaks and to enable rapid response as needed. Note that bio-gas containing methane is a valuable product and that Fiberight will have every incentive to avoid leaks.**

- 5.) What are the predicted emissions from the plant in volume & content as far as toxins if Fiberight decides to burn or gasify unhydrolyzed biomass at the plant?

**Although the final design is not complete, at this point Fiberight is proposing to gasify post-hydrolysis solids in a gasifier similar to one currently operating at a textile mill in New Hampshire. That mill has very low emissions – and, in fact, that mill uses the gasifier as a pollution control device to destroy VOCs at very high levels of effectiveness. Additional information will be available when permit applications are completed and submitted to the Maine DEP.**

**Fiberight will NOT accept biomass fuel derived from construction and demolition debris.**

- 6.) How will Fiberright deal with contaminated leachate, with concentrated heavy metals, VOCS, and other toxins which will need to be dealt with.

**Incoming MSW will be managed in an enclosed area with no exposure to precipitation or groundwater. Leachate will not be generated. We expect very low quantities of wastewater, which composition would qualify for treatment at the Bangor wastewater treatment facility.**

- 7.) How proven is this technology? It appears to be untested on the scale they propose. The video states that the process removes contamination from biomass – How? (other than by pasteurizing it, which won't remove heavy metals, etc)

**This technology is a young “up and coming” approach to comprehensively managing MSW. Representatives of the MRC and of an independent group from the University of Maine, Orono, have visited the Fiberright facility in Lawrenceville, Virginia, and have observed operations there. The Iowa project is scheduled to break ground in April; the Virginia facility is in the process of being expanded. We expect both the Iowa and Virginia projects to be operating at scale before construction starts in Maine. Our due diligence process is ongoing.**

**The AD equipment will include media beds from which salts and other contaminants will be removed on a regular basis.**

- 8.) The facility location appears to be some distance from residential housing, but depending on the way travel could odor and gases affect the Main Trail neighborhood, and neighborhoods on or near the Coldbrook Road, and possibly other areas of town.

**Given our visits to the Fiberright facility in Lawrenceville, Virginia, and to several other facilities in North America with similar front end processes and our due diligence on the Fiberright approach, we do not expect fugitive odors or gasses to be an issue.**

- 9.) What is the approximate distance between the plant and the Main Trail neighborhood?

**I'll have a map available. The precise location of the facility is not determined, but my best estimate is at least 3,500 feet of forested land.**

- 10.) This proposal promises further recycling while retaining current zero sort programs. What if towns' recycling efforts are so good that this plant doesn't have enough material to run economically/efficiently - will MRC demand a minimum amount of material for towns to supply?

**This project is being designed to focus on high-value products made from organic materials in MSW that are not being diverted, with a secondary benefit of capturing recyclables that remain in the waste stream after efforts are exhausted at the local level. Lower levels of recyclables at the plant level will not disrupt the economics of the project.**

- 11.) Will towns get penalized as they do now for not generating enough trash? Could you show us where this is spelled out in the MRC/Fiberright proposal?

**We are working hard to insulate the towns from exposure to delivery shortfalls balanced with the need to secure financing. The MRC can play a key role in insulating individual towns from risk in this project, as it has in the past with the PERC project. The final mechanism is under negotiation. Note though that a key attraction from our perspective of the Fiberright process is the ability to run on a much smaller scale and have a much greater degree of operational flexibility than our current system. These factors will help with the “GAT issue” a great deal.**

- 12.) PERC says it can continue: their loans are all paid off so they have no major debts: they say they can downscale, take less out of state waste, lower tipping fees, not penalize if towns recycle more, supply less.

**What else would anyone expect someone in their position to say? If these statements could be relied upon, then one would not expect the company to seek out new subsidies from the Maine taxpayers and/or ratepayers. As an example, PERC’s actual debt service costs in 2014 were less than \$6 per ton of MSW processed, in part because interest rates are low and PERC refinanced and reduced debt several times over the years – so being debt-free makes hardly any difference in their ability to reduce costs.**

**MRC will be monitoring these issues in the coming months. MRC has had full access to PERC’s books since 1990 and has been fully involved in PERC’s the management of PERC’s business since 1998 as a part owner of the facility. MRC preferred approach to post 2018 was to extend the project. After several years of hard work on the economics of the extension, and conclude that extension is simply not economically feasible, we began to evaluate the best alternative means to solve this problem for the member communities.**

- 13.) Why do towns need MRC when they can contract directly with PERC?

**The towns formed the MRC following PERC’s announcement, 18 months after opening the doors in 1988, that they would file bankruptcy and close. MRC has looked after the public interest on their behalf ever since, and has insulated the towns from taking direct risks and liabilities of GAT penalties and on many issues. A regional group such as the MRC can take advantage of professional advice that no single town could afford or manage, and can create negotiating leverage that comes with size and scale. For these and other reasons, the membership has doubled since the early days. The increase in membership primarily came from towns that had a direct contract with PERC when they started. The only members that left MRC did so when we restructured the contracts in 1998, when they made the decision to leave for a landfill facility close by in New Brunswick. In the end, a town itself would need to answer your question.**

- 14.) Why would MRC abandon a \$25 million investment it made in PERC?

**MRC would not recommend the abandonment of an investment that made sense to keep. The MRC made a \$12,000,000 investment in PERC on behalf of the towns through a series of payments made between 1999 and 2006, all of which represented re-investment of value derived from the municipal share of PERC’s operating gains. Those investment objectives have been met and they did not rely upon value derived from extending the PERC**

**relationship beyond 2018.**

- 15.) Given the fact that Fiberight appears to be having some trouble with financing, and they've yet to break ground on their first actual full size plant, and the technology is unproven on the scale they propose, how certain is it that they will have an up and running plant in Hampden, if that were approved, by 2018?

**We are not aware that Fiberight is having issues with financing. We are keenly aware that there are many reasons/uncertainties that can slow or delay start dates for project development and we are working hard to address the issues and bring a solution to fruition.**

- 16.) If PERC is gone and Fiberight is not up and running, where will the MSW from all the towns that belong to the MRC go? Juniper Ridge? Where else can it go?

**If there is no processing available for our region, landfilling is the only legal alternative that we are aware of in the region. Some MSW might be exported to facilities outside the region. The MRC is monitoring the fallback alternatives for MSW disposal in the event of unforeseen delays or outcomes.**

[Some questions/comments from Norm Thurlow: some of these duplicate my questions]

- 17.) Why the Hampden location and not one near the Juniper landfill? I noticed that a privately run plant to produce methane from the landfill is to be located at the landfill so I have to wonder why the Fiberight plant could not be there as well.

**We explored the possibility of location at the Juniper Ridge Landfill but the ownership and operating framework established by the state wasn't broad enough to allow it. In any case, the Hampden site has far better attributes from a utilities and infrastructure standpoint.**

- 18.) It also would seem prudent to have an alternative disposal plan available if the Fiberight plant fails to meet expectations. I think it would be wise to arrange some program with PERC that allows them to function at some capacity until it is clear that the process Fiberight is using can handle the full load.

**We are working on contingent arrangements to serve as an "interim disposal bridge" We are also monitoring the fallback alternatives for MSW disposal in the event of unforeseen delays or outcomes.**

- 19.) What is the back-up plan if the process fails to meet the need?

**We are working on contingent arrangements to serve as an "interim disposal bridge"**

- 20.) Are there host community benefits?

**In addition to full taxable value, Yes.**

- 21.) Can we eliminate recycling at the towns and let the plant do it?

**I suppose way down the road this could occur depending on local preference, especially with any inefficient systems in small towns that become known, but we foresee that local recycling will continue and the new system will compliment local recycling.**

22.) Will the company dispose of hazardous materials for the member towns?

**There will no handling of hazardous waste at the facility**

23.) There is a need to dispose of batteries, plastic bags, aerosol cans and other low level hazardous material; will the company solve this for the towns?

**There will no handling of hazardous waste at the facility. The MRC will encourage towns to collect and manage household hazardous wastes locally. The Fiberight facility will separate batteries and other items that are commingled in small concentrations with household waste.**

24.) Will towns be required to supply a certain amount of trash and garbage and be penalized if they don't?

**We are working hard to insulate the towns from exposure to delivery shortfalls balanced with the need to secure financing. The final mechanism is under negotiation, but will likely involve the MRC as an explicit intermediary to insulate individual towns from risk and liability building on lessons learned from the PERC contractual arrangements. Note though that a key attraction from our perspective of the Fiberight process is the ability to run on a much smaller scale and have a much greater degree of operational flexibility than our current system. These factors will help with the "GAT issue" a great deal.**

25.) Is there a minimum waste stream necessary for the plant to be profitable and can the MRC members supply it?

**Yes. MRC will work on commitments for waste supply of 150,000 tons. This is less than one half of our current facility needs. Given our understanding of project economics, we believe MRC members will take action needed to supply it.**

26.) Will Hampden be required to provide fire and hazardous material mitigation beyond our current capabilities?

**We will work with the town closely on this issue. Should additional local capacity be deemed prudent in the name of public health and safety, the parties will deal with that in an equitable manner.**

27.) Will demolition debris be included in the waste stream?

**No. The Fiberight facility will not accept construction or demolition debris waste.**