



# NEWSLETTER

Municipal Review Committee | 395 State Street | Ellsworth, ME 04605 | [www.MRCMaine.org](http://www.MRCMaine.org)

ISSUE 2.2 | July 2016

## Local, State & Federal Permits Approved

After more than a year of thorough review, the MDEP announced final permits for the MRC and Fiberight on Friday, July 15. The Solid Waste, Air, Stormwater and Natural Resources Licenses are a fundamental part of the MRC's Plan for 2018 to provide recycling and MSW processing to over 100 Maine towns and cities starting in 2018. The US Army Corps of Engineers has also issued a permit for the proposed Hampden site. On Tuesday, July 19, the Hampden Planning Board approved Fiberight and MRC's applications to construct the facility. These were the last approvals needed before construction can begin. This is a tremendous step forward in our development of a next generation MSW recycling and processing facility and we could not be more thrilled.

## PERC Makes Public Statements on Shutting Down its Boilers, Building a Dirty MRF and Increasing Landfill Disposal

MRC continues to be concerned with PERC's post 2018 plans and the feasibility of their proposed operations. USA Energy, PERC's private partner, has now made public statements about operating the facility as a "dirty MRF" mixed waste processing facility if it doesn't have enough trash to operate as a waste to energy facility. USA Energy has stated they can quickly convert the PERC plant to this type of facility, ignoring the reality (first explored by the MRC in 2013) that a true proposal for conversion of the PERC facility would involve significant design and engineering effort, and would require millions of dollars to purchase and install new equipment. Converting PERC to a conventional dirty MRF facility would increase the percentage of waste going to landfill. Approximately 70-80% of incoming MSW would need landfill disposal, which is significantly more than the 20% Fiberight will send or the 30% PERC currently sends.

Although towns having only about 30,000 tons per year of trash have indicated interest in staying at PERC after 2018, PERC has stated it plans to obtain 210,000 tons of waste to remain a waste to energy facility, and plans to use a "boiler cycling" strategy where plant operations would be reduced at night and ramped back up to generate electricity during the day in an attempt to increase revenues. While sounding plausible, this method of operation will increase maintenance costs to levels not included in PERC's proposed pro forma.

The boiler cycling would also burn significantly more fuel oil than current operations just to keep the boilers warm. Yet PERC's 2018 pro forma assumes a 20% decrease in fuel oil expenses compared to past experience. Another issue relates to assumed electricity revenue. PERC's pro forma uses an average of 4.7 cents per kilowatt hour, yet the average wholesale price for electricity for the last six months was 2.4 cents per kilowatt hour.

It is clear that important elements underlying PERC's pro forma simply are not credible.

## UPCOMING MEETINGS

Wednesday, July 27  
9:00 AM  
Finance Committee Meeting  
59 Main Street, Orono Municipal  
Building, Orono, Maine

Wednesday, July 27  
10:00 AM  
Regular Board of Directors Meeting  
59 Main Street, Orono Municipal  
Building, Orono, Maine

## THANK YOU!



**99,678**  
**Tons**

Committed



**106**  
**Communities**

The MRC has commitments from enough communities for Fiberight to trigger financing for the facility. The MRC conducted and shared an in-depth analysis of the pro forma for a smaller facility than originally projected and confirmed Fiberight's profitability. This review is available on our website: <http://mrcmaine.org/>

## What's Next?

After eight months of informational meetings and council, disposal district, and town meeting votes, the MRC is shifting its focus to ensuring the timely construction and operation of the facility. In the next few months the MRC expects to exercise its option to purchase the site in Hampden, Fiberight to close on equity financing, and the road construction to begin. As always, we will keep you updated.

## Update from Fiberight

Fiberight CEO Craig Stuart-Paul is now a familiar face to many Mainers who are following the MSW landscape in our state. In addition to speaking at many town and council meetings, Craig has been working in Virginia and behind the scenes on a number of accomplishments. Fiberight installed and successfully commissioned a continuous pulper at Fiberight's Virginia plant to properly test the design configuration for the Hampden project. Fiberight has also secured letters of intent for sales of products to be produced at the facility and anticipates securing a process insurance bond. Fiberight will be operating its Virginia plant for an extended period in July using the continuous pulper, a key requirement for securing this performance bond.

## Changes to Master Waste Supply Agreement

The MRC and Fiberight have drafted contract language to address the likelihood that Fiberight will build a smaller size facility than originally planned. At its July 27 meeting, the MRC Board will be discussing some of the potential changes to the Master Waste Supply Agreement including actual tonnage commitments and language to address concerns raised regarding unacceptable waste and flow control invalidation. The MRC strongly encourages member input during this process so your comments can be considered before the document is finalized.

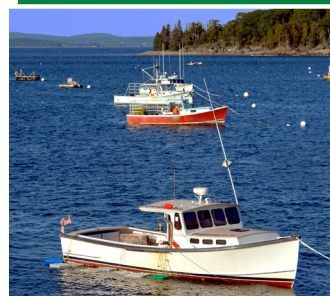
## June 30 deadline waived for some communities

At a Special Board Meeting on July 11, the MRC Board granted waivers to the June 30 deadline to Blue Hill/Surry and Bucksport/Orland. The new deadline for those four towns to vote to join the MRC is July 30, 2016. Due to the overwhelming public outreach and campaign, the Board also granted the MidCoast Solid Waste Corporation a waiver of the deadline until August 30, 2016 to sign-up with the MRC. If these communities sign-up before July 30 or August 30 they will receive the full financial benefits of the MRC Plan. Fiberight confirmed that these waivers will not have an impact on the development schedule of the facility. MRC appreciates the efforts of those who were able to conform to our deadlines. Allowing additional time for these towns to sign the Joinder Agreement and committing to Fiberight will make us a stronger group moving forward.

## ABOUT THE MRC

The Municipal Review Committee (MRC) is a non-profit association of Maine communities led by an elected, volunteer board of directors. For more than 25 years, the member communities of the Municipal Review Committee (MRC), now numbering more than 180 cities and towns, have used the PERC waste-to-energy incinerator in Orrington to process their municipal solid waste (MSW). After 2018, the contracts that made the PERC relationship work will expire and PERC will no longer be an economically viable option. The MRC has partnered with Fiberight to offer an innovative solution to recycle and process our MSW post 2018.

Visit [www.mrcmaine.org](http://www.mrcmaine.org) or contact Greg Louder at 207-664-1700 or [glouder@mrcmaine.org](mailto:glouder@mrcmaine.org) to learn more about the Municipal Review Committee and to add your name to our e-mail contact list.



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MRC regularly sends updates and announcements by email to those who have signed up for our alerts. We also have active Facebook and Twitter accounts, and we've posted informative videos from recent

meetings on our YouTube account. All of these are accessible from the homepage of our website, [mrcmaine.org](http://mrcmaine.org).