

FAQs Regarding the Sale of Coastal Resources of Maine Facility and Assets

Who owns the Coastal Resources of Maine (CRM) recycling facility and assets?

The facility and its contents are still owned by CRM, the company formed by Fiberight to finance, own and operate the facility. The facility is pledged as collateral for repayment of CRM's loans to a group of bondholders represented by a trustee. As part of the sale process, the MRC anticipates that the bondholders will foreclose on the pledged assets, thereby becoming the owner.

The land in Hampden on which the facility sits is owned by the Municipal Review Committee (MRC), who acts as the landlord. (The MRC also holds all the municipal waste contracts crucial to operations, and we are the permittee for all the DEP waste processing permits.)

Who is selling the CRM facility?

The bondholders will be selling the facility after they have foreclosed and taken possession. As the future owners, all final decisions regarding the choice of buyer rest with the bondholders.

What is MRC's role in the sale?

Since the plant closed in May 2020, the MRC's role has been three-fold:

- To ensure the safe and continuous disposal of our members' MSW while minimizing new costs.
- to maintain the physical plant and equipment to allow for a swift re-start under a new owner, and
- to negotiate terms that allow for MRC oversight that will protect our members.

As landlord, DEP permittee, and holder of the contracts, the MRC has used that leverage to negotiate diligently for provisions that are most beneficial to our members. We are working to ensure that the new owner will be capable of processing MSW to our standards, will be financially capable of operating the plant, and will be willing to operate the facility as is, at least initially, to avoid delays associated with any possible future installation of new technology and necessary permitting.

Who is buying the CRM facility?

The bondholders and their trustee have chosen Delta Thermo Energy, a Pennsylvania-based company focused on clean MSW processing, which has developed waste facilities in Europe and Asia.

Who is DTE?

DTE has developed facilities overseas in Dresden, Germany; Shari, Hokkaido, Japan; Seoul, South Korea; Romania; Russia; South Africa; and Singapore.

Senior members of the DTE team have operations and supervisory experience with national firms including Covanta, Veolia, and Waste Management.

The MRC, the bondholders, and their trustee have verified that the DTE team has experience with MSW. The MRC has negotiated a say in the operating plan and a seat at the table for monthly stakeholders' meetings.

What about financing?

The bondholders and the MRC were given a recently dated document indicating that DTE will have access to more than adequate funding to purchase, operate and make necessary improvements to the Hampden facility, subject to completion of due diligence and customary terms and conditions of financing.

Will the CRM plant continue to use Fiberight's technology?

DTE has provided assurances that it will continue to use Fiberight's technology upon reopening and is obtaining its financing based on the assets, technology, and contracts already in place, with a determination to make the plant fully operational. After it becomes the new owner, DTE would have the right to make changes to the facility consistent with applicable law and requirements, including DEP permit conditions and regulatory requirements for diversion.

Will municipalities still be able to use the "one bin, all in" model to collect MSW?

Yes.

Will we really be recycling MSW?

Yes. The plant will continue to recover everyday recyclable materials from the waste stream and convert what is left into saleable energy and other products.

Will tipping fees increase?

No. Contracts are in place and cannot be changed unless communities vote to change them.

This has been a priority for the MRC. Without the MRC coalition or the restarting of this plant, municipalities centered around Bangor would be left with few options. That would allow tip fees to increase, we estimate by as much as \$15 to \$25 dollars more per ton. This would be a blow to MRC member budgets. It is the strength of our numbers that buttressed the appeal of the CRM plant to potential buyers.

There has been talk that DTE will bring in its own technology in the future, is that true?

The plant *must* reopen under the terms of the current permits and meet the terms of the Master Waste Supply Agreement, which details recycling rate requirements.

In its town hall presentation to the MRC, DTE stated its plans to “improve and maximize diversion” and to “add new services and technology.” This was stated clearly. Any new technology, however, will have to be permitted by the Maine DEP, which we know from experience can be a long and thorough vetting process.

Rob Van Naarden, the CEO of DTE said during his presentation that he had plans to add “new services and new technology.” What is he talking about?

Some of the other plants operated by DTE use a technology known as hydrothermal decomposition. In his presentation he mentioned the possibility of adding that technology for the purpose of disposing of sewer sludge for our members, which is a growing problem across Maine. Understand that adding any new technology would require additional permitting from the Maine DEP.

In the town hall meeting, Van Naarden mentioned barges with sludge from New York City looking for places to bring sludge. He said, “We eliminate that need.” Does that mean he wants to bring NYC sludge to Maine?

No. He was using that as an example of how difficult and how universal the problem of sludge disposal has become. DTE’s technology, which has been used in other countries may find an application here in Maine, provided it meets Maine environmental laws and standards.

What does this delay mean for the community?

We will continue operating as we are now with roughly three quarters of our MSW going to PERC (see question 3) and the rest going to Juniper Ridge via an arrangement with Waste Management’s Crossroads facility in Norridgewock.

Is there a timeline for how long these delays will last?

The buyer is telling us to expect a closing on or before June 30th.

What is the plan for when PERC closes down in April?

All facilities processing municipal solid waste (MSW) must have an approved back-up plan for when they are in bypass, whether it is PERC, Coastal Resources, or any other facility. In this particular case, the backup will be Juniper Ridge.

If this sale falls through, what would it mean for the local economy? What would happen to the land that the Coastal Resources of Maine plant in Hampden is on? Are there other potential buyers?

At this time, the bondholders and the MRC are continuing to negotiate in good faith with DTE and are working toward a closing on or before June 30th.

Are there any general comments you would like to make about the sale or situation?

We will continue to keep our members apprised of any new developments.