

## **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.

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

### **Who is DTE-HM, LLC?**

DTE has created a separate company to operate the Hampden facility, a limited liability company (LLC) called DTE-HM. HM stands for Hampden, Maine.

### **What about financing?**

The documents are in final form and have been sent to the financiers. Rob Van Naarden, the CEO of DTE, is confident they will satisfy the needs of the financiers.

### **Will the Hampden plant continue to use Fiberight's technology?**

Yes. 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-HM 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. The plant must reopen using the Fiberight technology.

### **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's left into saleable energy and other products.

### **Will tipping fees increase?**

No.

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.

Any additional cost that MRC may encounter due to bypass will be reimbursed at closing. After closing, those costs will be incurred by new ownership.

**There's 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 first 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.

**Mr. Van Naarden said during his first presentation, and then again on April 28<sup>th</sup>, 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.

**Does this mean he'll be burning sewer sludge?**

No. As Mr. Van Naarden has said often, they do not incinerate anything. Also, as has been stated many times, the Hampden plant will reopen using Fiberright technology, the only technology for which the plant is permitted.

Keep in mind that the safe disposal of sewer sludge is a tremendous problem for the state of Maine. As board president, Karen Fussell reiterated during the April 28 quarterly meeting, how municipalities look for ways to deal with safe sludge removal is dependent upon the State and DEP and the directions they may take.

**In his first 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, but as he stated during the April 28<sup>th</sup> meeting, the Hampden plant will operate using Fiberright technology, the only technology for which the plant is permitted.