

**ONE PERSON'S TRASH IS ANOTHER PERSON'S ETHANOL:
AN ENVIRONMENTAL STIMULUS PACKAGE**

**A COUNTY SOLID WASTE DISTRICT'S JOURNEY FROM
RFP TO WTE**

Background

- Indiana Environmental “Evolution”
 - House Bill 1240
 - Lake County Solid Waste Management District
 - Membership
 - Programs

Road to the RFP

- NO NEW LANDFILLS IN LAKE COUNTY!
 - So now what?
 - Meeting with solid waste industry
 - Good Government Study
 - Municipal Support

REVIEW PROCESS

- RFP issued in 2007
 - Landfill capacity
 - Alternative means for processing and disposal

RFP Response

- 3 Responders
 - Existing landfill in adjoining county
 - 2 proposed waste to ethanol facilities
 - Agresti
 - GPV
 - Powers Energy One
 - Gasification/biological conversion

Negotiations

- Keep all proposers involved
 - State of the art, not state of the regulations
 - What can the proposer do for you, not what does he have to do

Technical Review

- Engineering review
 - Existing landfill
 - Proposed Waste to Ethanol facility

Financial Review

- Existing landfill
- Proposed Waste to Ethanol facilities

Agreement

- Findings
 - The amount of waste ultimately going to landfills would be reduced significantly, perhaps as much as 80% to 90%, with the diverted material being recycled.
 - The cost to the municipalities for the processing and disposal of the municipal solid waste would be reduced from approximately \$45/ton (with yearly increases) at a landfill, as proposed in this selection and negotiation process, to a fixed solid waste disposal charge of \$17.25/ton for the first 1,450 tons/day and \$15.25 for each amount thereafter/day at the waste to ethanol facility, with no yearly increase for 20 years: a savings of over two-thirds the cost for landfilling.

- Findings (continued)

- The municipality in which the facility will be located, currently undetermined, would additionally receive 3 cents/gallon for each gallon of ethanol produced.
- The Agreement provides for guaranteed and fixed solid waste disposal charges for all municipal solid waste originating within Lake County for a period of not less than fifteen (15) years.
- The ethanol being produced, approximately 90 gallons per ton of waste, would help reduce our country's dependence on foreign oil.

- Findings (continued)

- The Agreement provides economic benefits to the District and provides it with the means to implement its Solid Waste Management Plan and fulfill its statutory responsibilities by the payment of Two Dollars and Fifty Cents (\$2.50) for each ton of solid waste delivered to the Site.
- The Agreement provides economic benefits to the District and provides it with the means to implement its Solid Waste Management Plan and fulfill its statutory responsibilities by the payment of one-half of the Carbon Credits that might be obtained from the operation of the facility.
- The Agreement provides for the permitting, design, construction, operation, and maintenance of a state-of-the-art solid waste facility at no net cost to the District.

- Findings (continued)

- The cost for construction of the waste to ethanol facility is approximately \$200 million, privately funded and insured, with no tax abatement. Such a facility would not only provide construction jobs, at prevailing wage, but would provide increased employment once the facility began operation, all with a preference to local companies, businesses and citizens.
- The operation of the facility involves proven technology, employing a gasification system and a biological conversion, all of which must comply with all federal and state permit requirements.
- The operation of the facility will result in the reduction of greenhouse gases compared to those gases currently being generated at landfills.

- Findings (continued)

- The waste management service described herein is not currently available in the District.
- The waste management service described herein is not currently available in the District at a reasonable cost.
- The provision of this waste management service described herein under this Agreement will benefit the public health, welfare and safety of the residents of the District.
- No facility shall be located in any city, town or unincorporated area without the consent of the local elected officials of that city, town or unincorporated area.

Location

- Focus on proposals
- Since the execution of the agreement in November of 2008, Powers had performed an exhaustive search for an appropriate site for the facility, and had engaged various communities in discussions regarding that siting. Ultimately, a parcel of property partially in and partially outside of the Town of Schneider in Lake County was selected. The Town of Schneider held several public meetings to provide information regarding the facility and allow public input before that selection took place. There was overwhelming support both from the citizens and the Town officials. The Town has recently annexed, through friendly annexation, that portion of the parcel previously outside of its boundaries. The zoning is currently appropriate for development of the site for the construction and operation of the facility.

What's next

- The next step in the process is to complete and submit a permit application as a solid waste processing facility with the Indiana Department of Environmental Management, followed by such other permit applications with the applicable regulatory agencies. The permit review process is anticipated to be started in February, 2010. The goal remains to complete all permit reviews and begin construction in 2010, and to begin operations eighteen months thereafter.