

news release

Regional Office
723 Woodlake Drive, Chesapeake, VA 23320
phone: (757) 420-4700 fax: (757) 424-4133
www.spsa.com

MEDIA ADVISORY

For Immediate Release
April 29, 2010

For more information, contact:
Rowland “Bucky” Taylor, SPSA Exec Dir.
(757) 420-4700
Joel Rubin, Rubin Communications Group
(757) 287-0361

SPSA Completes Sale of Portsmouth Waste-to-Energy Facilities to Wheelabrator Technologies

*Ownership Change Enables Regional Waste Authority to Reduce Debt
and Benefit from Experienced Waste-to-Energy Operator*

April 29, 2010, Chesapeake, VA - Wheelabrator Technologies Inc., a wholly owned subsidiary of Waste Management, has purchased the Southeastern Public Service Authority’s Refuse Derived Fuel (RDF) plant and adjacent waste-to-energy facility.

The closing of the sale follows votes taken by the SPSA Board of Directors on April 28 as well as transfer of \$150-million in funds from Wheelabrator to SPSA and recording of a deed of sale in Portsmouth, where the plants are located. Both of the latter actions took place on April 29. Wheelabrator will assume management of the operations, to be called Wheelabrator Portsmouth, officially at 11:59 p.m. on April 29.

The purchase concludes a lengthy process that commenced more than two years ago when SPSA began consideration of a proposal to sell the two plants in order to reduce debt and operating costs and draw on the expertise of a private vendor. Three other companies submitted competing bids. After narrowing the candidates to two, the Authority chose Wheelabrator on November 17, 2009. A newly constituted SPSA Board, which took office January 1, 2010 as a result of a change in state law, continued the sale process, ending with the Board votes on April 28.

SPSA will use the \$150-million from the sale to pay down debt to the Virginia Resource Authority (VRA) and other lending institutions, and repay money owed to the City of Virginia Beach.

“A competitive procurement process and rigorous negotiations between SPSA and Wheelabrator have produced a sale contract of the Portsmouth facilities that is fair for all parties,” said Rowland “Bucky” Taylor, SPSA executive director.

“The sale to Wheelabrator establishes a predictable, affordable service fee, and upholds all current member community agreements.” The sale contract also allows SPSA member-communities to seek alternative waste disposal options in 2018, or negotiate new service contracts with Wheelabrator beyond that date to continue using the waste-to-energy system. SPSA may also extend the Service Agreement with Wheelabrator for an additional 10 years through 2028 in the event its member communities decide to renew or extend their Use and Support Agreements with SPSA and continue delivering their municipal solid waste through SPSA system beyond the current expirations in 2018.

“The sale of these plants has been long and complicated. It required the hard work of local and outside attorneys and financial advisors, management of Wheelabrator, the governor’s office, the VRA, banks and our own employees,” said Taylor. “But it truly would not have happened without the support of the eight localities that came together in a true spirit of regional cooperation on behalf of the common good.”

As a result of the transaction, 164 SPSA employees at the two Portsmouth facilities will become Wheelabrator employees. Wheelabrator also plans to invest more than \$20-million in capital improvements.

“This is a very exciting day for our company and we welcome all new employees to Wheelabrator,” said Mark A. Weidman, president of Wheelabrator Technologies. “Waste-to-energy is a growing industry worldwide, and our new employees will be joining us in expanding our business in the U.S. We will be investing in the plants to ensure reliable performance for the long-term future in full compliance with all permits.”

Another benefit from the sale is a Lease and Good Neighbor Agreement with Portsmouth and the settlement of SPSA’s outstanding dispute with Portsmouth relating to Portsmouth’s claim for payments in lieu of taxes.

“We are very happy that Portsmouth will be our host community,” said Weidman. “Wheelabrator has already begun to develop a strong relationship with the Cradock neighborhood, where the plants reside, and we intend to be a long-term partner in Portsmouth’s charitable, community and environmental activities.”

Most of the municipal solid waste (MSW) generated in eight Hampton Roads localities – Portsmouth, Norfolk, Chesapeake, Virginia Beach, Franklin, Suffolk, Southampton County and Isle of Wight County – is brought to the RDF plant, located on Victory Boulevard in Portsmouth. There it is sorted, metals are removed and recycled, and the processable garbage is transferred across the

street to the waste-to-energy facility, where four boilers turn up to 2,000 tons a day of municipal solid waste (MSW) into 600,000 pounds of steam per hour and 60-megawatts of electricity. The Norfolk Naval Shipyard uses the steam in its ship repair operations, while the power is sold onto the electrical grid.

The non-processable waste, which has been deposited in SPSA's regional landfill in Suffolk, will now be taken to landfills operated by Waste Management outside of South Hampton Roads. This will save SPSA an estimated \$50 million, the cost of expanding the Suffolk facility.

About Wheelabrator Technologies Inc.

A wholly owned subsidiary of Waste Management, of Houston, Texas, Wheelabrator Technologies Inc. owns and/or operates 16 waste-to-energy facilities and five independent power production facilities. Wheelabrator's 21 facilities have a combined electric generating capacity of 836 megawatts, enough energy to power more 900,000 homes. Wheelabrator's 16 waste-to-energy facilities have a solid waste disposal capacity of 21,340 tons per day, as much trash as disposed of daily by more than nine million people. To learn more, visit www.wheelabratortechnologies.com.