

news release

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For Immediate Release:
September 10, 2009

SPSA Board Tentatively Accepts Offer To Sell Its Waste to Energy Plant in Portsmouth

(Chesapeake, VA – September 10, 2009) – The Southeastern Public Service Authority’s Board of Directors unanimously voted today to “tentatively accept” an offer from Wheelabrator Technologies Inc. to purchase the regional authority’s waste-to-energy facilities located in Portsmouth.

Wheelabrator’s offer for the Refuse Derived Fuel (RDF) and Power Plants is \$150 million. The Agreement is for eight years which coincides with the communities’ Use and Support Agreements which terminate on January 24, 2018. Wheelabrator’s offer also included an option to extend the service agreement to 2028.

As part of the Agreement SPSA will pay a service fee of \$36 per ton for 500,000 tons annually of municipal waste that is processed into fuel at the RDF Plant.

“We considered the price, the closing conditional risks and the net present value of the offers and we decided that this Agreement is in the best offer for our citizens,” said Don Williams, SPSA Board Chairman.

The Wheelabrator proposal also included a provision that all non-processable waste, which is that waste which cannot be burned for conversion to steam and electricity, will be disposed in a non-SPSA landfill. This provision will extend the life of the current active cell of the landfill in Suffolk, through the length of the current SPSA Use and Support Agreement (2018).

Current projections for the life of Cell VI without this provision would have the landfill being filled around mid 2013. If this did occur there would be a requirement that SPSA build another cell (Cell VII) at a cost that would range from \$38 to \$52 million, depending on whether SPSA would have to build two new transfer stations for Suffolk, a flyover at the landfill entrance at Rt. 58 or a new road into the landfill that would handle all western traffic into the landfill.

Both the Wheelabrator offer and the competing Covanta Energy offer were reviewed by several firms which included the financial firms Municipal and Financial Services Group, Davenport & Co., BB&T Market Capital and Public Financial Management, the law firms of Williams Mullen, Sidley Austin and Wilcox & Savage, along with SCS Engineers (on behalf of the eight jurisdictions).

The complete offer, a proposed schedule of future actions/discussions and an executive summary of the proposal will be posted on SPSA's website, www.spsa.com on Monday, September 14th, 2009.

The SPSA Board scheduled a public hearing on the Wheelabrator proposal for the next regularly scheduled Board meeting being held on Wednesday, September 23 at 9:30 a.m.

Additionally, the Board scheduled a special meeting for Thursday, September 17 to review an unsolicited PPEA Proposal that was recently submitted by ReEnergy Holdings LLC. for the purchase of all SPSA's assets.

For additional information, contact Tom Kreidel at (757) 420-4700, ext. 338.