

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4773 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A NEW NON-SYSTEM LICENSE TO VERIS INDUSTRIES FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE WASTE, AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON

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Approval of Resolution No. 17-4773 will authorize the Chief Operating Officer (COO) to issue a new non-system license (NSL) to Veris Industries (a subsidiary of Schneider Electric). The proposed NSL will authorize Veris Industries to transport up to 475 tons per calendar year of non-recoverable waste, including putrescible (wet) waste, generated at its facility located at 12345 SW Leveton Drive in Tualatin (Metro District 3) to the Covanta Waste-to-Energy facility (Covanta) located in Brooks, Oregon.

## BACKGROUND

The applicant, Veris Industries, is a manufacturing company that makes heating, ventilating, and air conditioning system controls and monitoring meters. Veris Industries has a robust sustainability program and seeks to become a zero-waste-to-landfill company. All areas of the facility have dedicated recycling stations including desk spaces, production floor, and an employee cafeteria. Centralized collection stations are provided for paper, corrugated cardboard, batteries, fluorescent tubes, wood pallets, metal, scrap boards and assemblies, polystyrene, hard plastics, and film plastic. In the cafeteria, non-protein food items are collected and composted in an on-site employee garden. The waste that Veris Industries seeks to transport to Covanta includes the non-recoverable waste from its manufacturing process, cafeteria waste, and restroom waste.

On December 16, 2016, Veris Industries filed a complete application seeking a new NSL to transport up to 475 tons per calendar year of non-recoverable waste, including wet waste, generated at its facility to Covanta. The proposed license is subject to approval or denial by the Metro Council because it authorizes the transport of wet waste to a non-system facility.<sup>1</sup>

## ANALYSIS/INFORMATION

### A. Known Opposition

Marion County staff has recently raised concerns about Covanta's practice of accepting waste from the Metro region to the exclusion of waste generated within Marion County. The County notified Covanta of its concerns about the facility's capacity in a letter issued last fall. County staff verbally requested that Metro take Covanta's capacity into account when it considers issuing NSLs to use the facility. Metro staff sent an email on March 2<sup>nd</sup> and then a letter on March 7<sup>th</sup> to the County requesting written clarification on its concerns and seeking specific comment on the proposed NSL application. The County did not respond to either of Metro's request for more information.

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<sup>1</sup> Metro Code Section 5.05.110(c)

Although approval of this resolution would authorize Veris Industries to transport waste to Covanta, the proposed NSL does not obligate Covanta to accept the waste. In addition, Metro may subsequently amend, suspend, or terminate the proposed NSL should there be any change in circumstances after it is issued. Metro staff will continue to monitor the situation and work with the County to resolve any issues that may arise during the term of this license.

## **B. Legal Antecedents**

Metro Code Chapter 5.05 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to issue an NSL, the Metro Council must consider the following factors to the extent relevant to such determination.

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which those wastes pose a future risk of environmental contamination;*

Covanta primarily accepts solid waste generated in Marion County. The facility also accepts special waste and other wastes generated by companies seeking to promote alternative disposal policies or government agencies seeking to destroy certain waste for public safety or the public good such as contraband, postage stamps, expired pharmaceuticals, and lottery tickets.

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then disposed, or used beneficially, in accordance with Oregon Department of Environmental Quality (DEQ) requirements.

- (2) *The non-system facility owner's and operator's regulatory compliance record with federal, state and local requirements including but not limited to public health, safety and environmental regulations;*

Covanta holds a DEQ Solid Waste Energy Recovery Permit.<sup>2</sup> No formal enforcement actions have been taken at Covanta by DEQ in the last five years and Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental regulations.

- (3) *The adequacy of the non-system facility's operational practices and management controls;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

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<sup>2</sup> Oregon DEQ permit #364

*(4) The expected impact on the region's recycling and waste reduction efforts;*

Veris Industries maintains an internal recycling program with the established goal of a 97 percent recovery rate. It seeks to deliver only its non-recoverable waste, including wet waste, to a waste-to-energy facility instead of to a landfill.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute<sup>3</sup> stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their watershed boundaries may count a portion of the waste towards their DEQ recovery rate calculation. Marion County is the only watershed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only watershed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact on the Metro region's recycling and waste reduction efforts.

*(5) The proposed non-system license's effect with Metro's existing contractual arrangements;*

Metro has a contractual agreement to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

*(6) The applicant's record regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements, including but not limited to public health, safety and environmental regulations; and*

The applicant has a good record of compliance with regard to Metro regulations.

*(7) Any other factors as the Chief Operating Officer considers appropriate.*

Covanta is the primary disposal site for solid waste generated within Marion County. At certain times during the year, in order to operate more efficiently, the facility requires more solid waste than is generated within the County. Metro transfer stations have provided this waste in the past, but have not done so since December of 2015.

The proposed license includes a 32-month term, commencing on May 1, 2017, and expiring on December 31, 2019. Metro Code Section 5.05.170(5)(B) states that a new NSL may be issued for a term of up to a three years. The proposed term will align future consideration of this NSL with other similar NSLs.

**C. Anticipated Effects**

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<sup>3</sup> Oregon Revised Statutes 465A.010(4)(f)(B)

The effect of Resolution No. 17-4773 will be to issue a new NSL to Veris Industries authorizing the transport of up to 475 tons per calendar year of non-recoverable waste, including wet waste, to Covanta for disposal. The proposed license will commence on May 1, 2017, and expire on December 31, 2019.

#### **D. Budget/Rate Impacts**

The waste covered under the proposed NSL will be delivered to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its disposal contract. The regional system fee and excise tax will continue to be collected on the waste transported to Covanta under authority of the proposed NSL.

#### **RECOMMENDED ACTION**

The COO finds that the proposed license satisfies the requirements of Metro Code Chapter 5.05 and recommends that the Metro Council adopt Resolution No. 17-4773. Approval of this resolution will authorize the COO to issue a new NSL to Veris Industries (attached as Exhibit A).

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