

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4836 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A RENEWED NON-SYSTEM LICENSE TO AMERICAN HONDA 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. 17-4836 will authorize the Chief Operating Officer (COO) to issue a renewed non-system license (NSL) to American Honda (Honda) to annually deliver up to twenty-five tons of non-recoverable solid waste and putrescible solid waste from its facility within the Metro region to the Covanta Waste-to-Energy Facility (Covanta) in Marion County, Oregon. The proposed NSL is a renewal of an existing license that is set to expire on December 31, 2017.

BACKGROUND

1. Overview

The applicant seeks to renew its NSL to transport non-recoverable solid waste and putrescible waste generated within the Metro region to Covanta. Covanta is a non-system waste-to-energy facility located outside of the region. Metro Code Section 5.05.040 prohibits any person from transporting solid waste to a non-system facility without an appropriate license from Metro. The proposed NSL renewal is subject to Metro Council approval because it involves putrescible waste.¹

2. The Applicant

The applicant, Honda, operates an automobile and motorcycle parts distribution center located at 16800 NE Sandy Blvd. in Portland, Oregon (Metro District 1). The facility is used primarily as a warehouse which distributes parts to 90 dealerships in seven states. The facility also houses an office, lunchroom, and automobile repair shop on site.

Honda routinely generates miscellaneous non-recoverable wastes at the above-mentioned facility which consist primarily of office, restroom, and lunchroom wastes. The facility also generates other non-hazardous wastes from its warehouse activities including labels and floor sweepings. As part of Honda's "blue skies for our children" campaign, the company makes efforts to reduce, reuse, and recycle waste whenever possible. For example, the company uses metal pallets, re-usable plastic shipping boxes, and shredded cardboard for packaging parts in an effort to reduce the amount of wood and plastic waste generated at the facility. As part of these efforts, Honda prefers to send its non-recoverable wastes to waste-to-energy facilities instead of landfills for disposal.

Honda has been authorized to transport miscellaneous non-recoverable waste including putrescible waste to Covanta since 2013 under a Metro NSL.² The current license will expire on December 31, 2017. The licensee delivered approximately twelve tons of waste to Covanta in calendar year 2016,

¹ Metro Code Section 5.05.110

² NSL No. N-141-13

exceeding its authorized tonnage by two tons. Honda has transported about five tons through September of calendar year 2017. On September 18, 2017, Honda filed a complete application seeking to renew its existing NSL with an increased tonnage limitation of fifteen tons per calendar year – an increase of five tons more than its current NSL. Metro staff recommends increasing the tonnage limitation to twenty-five tons per calendar year to allow sufficient capacity for non-recoverable waste generated at Honda.

ANALYSIS/INFORMATION

1. Known Opposition

There is no known opposition to the proposed NSL.

2. Legal Antecedents

Metro Code Section 5.05.040 prohibits any person from utilizing a non-system facility without an appropriate license from Metro. Additionally, Metro Code Section 5.05.140 provides that, when determining whether or not to approve an NSL application, the Metro Council will 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 such wastes pose a future risk of environmental contamination;*

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.³ 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.

³ Oregon DEQ permit #364

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.

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

Honda has an aggressive internal recycling program and it seeks to deliver only its non-recyclable waste, including putrescible solid waste, to Covanta instead of a landfill.

The Metro-area waste that is delivered to Covanta is not included in Metro's recovery rate calculation because state statute⁴ stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their watershed boundaries may count a portion of it 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 license is not expected to impact the Metro region's recycling and waste reduction efforts.

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

Through 2019, 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 the proposed license will not be transported to a general purpose landfill for disposal. Therefore, 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

In 2016, Honda exceeded its authorized tonnage amount by two tons. Honda does not have a scale onsite and has no way to weigh its compactors prior to transport to Covanta. Honda typically sends two loads to Covanta per year, one in the spring and the second in the late fall. In order to avoid possibly exceeding its authorized tonnage amount in 2017, Honda has applied for a change of authorization to increase its tonnage amount from ten tons per year to twenty-five tons for the current year. This would resolve the issue of exceeding its authorization and bring the applicant in compliance with Metro. Notwithstanding the above mentioned exceedance, Metro staff's investigation of the applicant revealed a good record of compliance with local and state agencies responsible for health, safety, and environmental regulations.

(7) Any other factor the Chief Operating Officer considers appropriate.

Covanta is the primary disposal site for solid waste generated within Marion County. Marion County generally supports the Metro-authorized flow of solid waste to Covanta.

⁴ ORS 465A.010(4)(f)(B)

3. Anticipated Effects

The effect of Resolution No. 17-4836 will be to issue a renewed NSL authorizing Honda to deliver up to twenty-five tons per calendar year of miscellaneous non-recoverable waste, including putrescible waste, to Covanta.

4. Budget/Rate Impacts

The waste covered under the proposed NSL will be delivered to Covanta. Covanta is not a general-purpose landfill and this NSL will not impact Metro's obligations under its disposal contract. The regional system fee and excise tax will continue to be collected on Metro-area waste delivered to Covanta under the authority of the proposed NSL. The application under consideration is the renewal of an existing NSL.⁵ The financial impact of this NSL has already been factored into the budget.

RECOMMENDED ACTION

Staff recommend that Council approve Resolution No. 17-4836, finding that the NSL application satisfies the requirements of Metro Code Chapter 5.05, and issuance of a renewed NSL substantially similar to the license attached to the resolution as Exhibit A.

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⁵ NSL No. N-141-16