



COVANTA
ENERGY
for a cleaner world



Investing In Virginia

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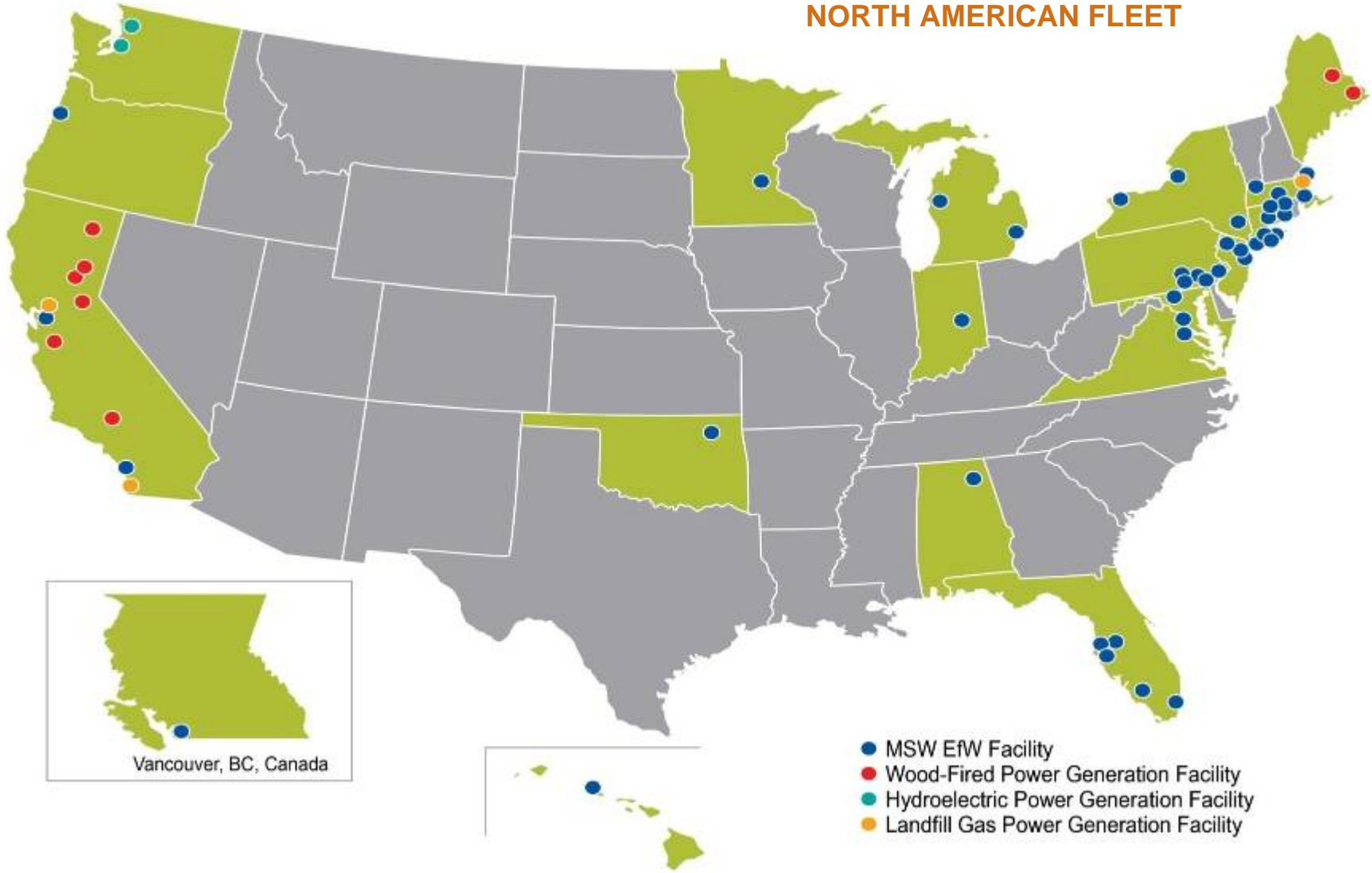
Leading Producer of Energy-from-Waste

- Covanta Holding Corporation (NYSE: CVA)
- World's largest Energy-from-Waste (EfW) operator
 - *Global presence; local relationships*
 - *North America, Asia & Europe*
 - *4,000+ employees*
- Full-service, single source approach to the permitting, design, construction, operation and maintenance of EfW facilities
 - *More EfW permitting, design and construction experience than any other firm in North America*
 - *22 of our EfW facilities were completed with Covanta serving as the sole project developer*



Fairfax EfW Lorton, Virginia

NORTH AMERICAN FLEET



- 42 EfW facilities (12 MW to over 80 MW)
- 8 Biomass to electricity facilities
- 3 Landfill gas to energy facilities
- 2 Hydro electric facilities

Covanta in Virginia

- **Covanta operates 2 facilities – Alexandria and Fairfax**
 - Employs 130 people with a payroll of \$15 million
 - \$1.9 million in local taxes, host fees and surcharges
 - Spends \$79 million in the state economy
- **Covanta's Renewable Power**
 - Produces 113 megawatts of baseload electricity
 - Enough energy to power 100,000 homes each year
- **Covanta VA converts 1.40 million tons of waste per year into renewable energy**
 - Avoiding the equivalent of ~ 1.40 million barrels of oil each year
 - Approximately 37,100 tons of Metal Recycled per year (ferrous and non-ferrous)
 - A Net Reduction of Greenhouse Gases by ~ 1.40 million tons per year



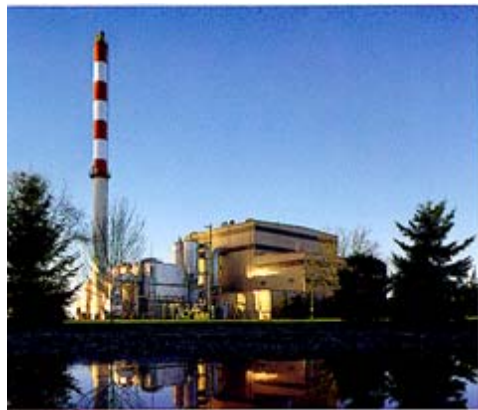
Alexandria/Arlington EfW, Virginia

Meeting Critical Energy Challenges

- Energy Security → Baseload renewable energy using local fuel source
- Fuel Diversity → Renewables only account for 5% of generation in VA
- Price Stability → 20+ year contracts with a CPI Escalator
- Job Creation → Typical facility creates ~1,000 construction jobs (3 years)
- Climate Change → One ton of trash reduces one ton of CO₂ eq



One Ton of MSW



500 - 750 kWhrs of Power



50 lbs of Recycled Metal



Ash: 10% of Original Volume

Economic Benefits

- **Competitively priced renewable energy source**
- **Potential anchor for district heating steam loop/Energy Park**
- **Stabilize and energize the local economy**
 - *Exporting to distant landfills exposes communities to price uncertainty*
 - *Local alternative for waste management*
- **Construction of facility (average size) will create \$500M+ of economic activity**
 - *Encourages other capital development projects*
 - *Typical facility creates 800 – 1,000 direct/indirect jobs during construction*
- **Green jobs to operate and maintain**
 - *High paid permanent jobs for local workforce*

What are the factors that Covanta evaluates before investing?

Vibrant Renewable Energy Market

- Utilities and CoOps willing to pay for the renewable attribute
- Utilities and CoOps recognize that EfW is a hedge against fossil fuel price volatility

Stable, Consistent and Diversified Fuel Source

- Non-NYMEX based escalators for very reliable generation source
- Providing Utilities and CoOps with a unique fuel diversity opportunity from local sources

Compatibility with Eco-Industrial Setting

- Industrial parks in need of renewable steam
- Landfills reaching capacity
- Desire to increase recycling and prevent degradation of land

Infrastructure

- Normal Power Plant Requirements (Power line to connect to the grid, water, etc.)
- Usually located close to the end user
- Highway and rail access

Political Leadership

- Willing host community
- Policy makers wanting to advance renewable energy
- Tax policies to encourage baseload renewable energy and economic development

Policies To Expand the Market

Need A Robust Long-term Energy Market

- PJM is great for real time pricing, information and transactions
- Long-term energy contracts still have to be negotiated with the regulated utilities
 - Utilities struggle with build/buy strategies

Financeable Long-Term Energy Off-Take Contract

- Recognize value of baseload alternative to fossil fuel with added benefit to hedge “long”
- Proven technology with history of high generation availability
- EfW is renewable energy and a net reducer of greenhouse gases (GHG)
 - Helps you prepare for future regulatory changes in a carbon constrained world

Ability To Participate In A Vibrant And Liquid REC Market

- Preferential treatment for EfW over landfill gas to energy (LFGTE)
 - Less GHG by eliminating methane release from landfills
 - 5 x more energy produced per ton of waste from EfW vs. LFGTE

Access To Tax-Exempt Municipal And Private Activity Bonds

- Facility life exceeds 20 years – bond maturity to 30 years is feasible and done in the past

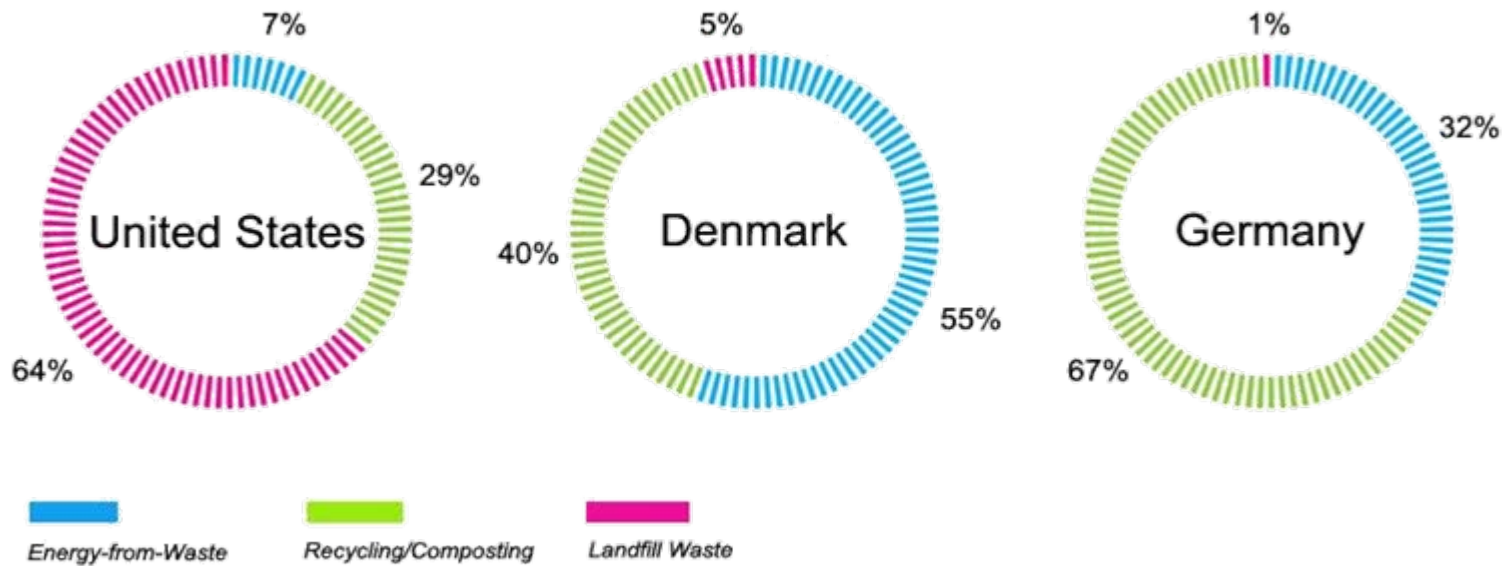
Predictable Permitting Process

- Typical greenfield plant requires 2 to 3 years

Set Goals For Reducing Waste To Landfills

- Increase energy value of trash
- Grant municipalities legal right to control flow of waste for 20+ years

Policies Make A Difference





It's Not Waste
If It's Energy