

**CALIFORNIA: FOSTER WHEELER INCINERATOR IN COMMERCE GENERATED \$2.6 MILLION DEFICIT IN ITS FIRST TWO YEARS.**

"The refuse-to-energy plant that has failed to meet emissions standards also has fallen short of its revenue goals primarily because of equipment failure, a plant official said. Developed and operated by the county Sanitation Districts and Commerce, the plant here has finished the last two fiscal years with a combined deficit of about \$2.6 million, according to financial records. The facility was fired up in December, 1986. Plant officials attribute the shortfalls to problems associated with start-up and the failure of boiler tubes. Some tubes in the high-tech incinerator corroded and leaked, requiring the plant to shut down and stop generating revenue-producing electricity during repairs. Some of the tubes were replaced with stronger parts in late 1987, while others were replaced in late 1988. The tubes carry water that is eventually turned to steam to drive a generator...After about six months of operation, the plant finished the 1986-87 fiscal year by spending \$253,300 more on operations and financing costs than it received in income, according to financial statements. The plant's fiscal year runs from July 1 to June 30. The next fiscal year, which ended June 30, 1988, the plant ran up a \$2.34-million deficit, the statements showed. **The plant has received about \$7.5 million in loans to cover operating losses and other expenses since start-up,** according to Selna (Project Director) and financial records. The facility has begun paying back some of that amount, while it must begin paying on other loans in several years...As a result of the two boiler tube outages, the plant also failed to meet the income requirements of a \$44-million bond issue that provided most of the funds for construction. Commerce and the Sanitation Districts provided an additional \$2 million each for the project, and the state furnished a \$1-million loan ...The engineer's report indicates that during the current bond year, the plant with its new boiler tubes should be able to generate net income equal to 142% of the debt service. **But in order to do that, the plant must receive 115,000 tons of refuse compared to the 92,000 tons it received last year - a 25% increase. It also must generate about 25% more electricity for sale that it did last year.** This year's income projection assumes the plant will run at 85% capacity, allowing down time for routine servicing. So far, the plant is meeting that goal, Selna said. During the first bond year, the plant ran at 67% capacity..." *Los Angeles Times*, 4-30-89.

**CALIFORNIA: AFTER BEING DENIED A 'PERMIT TO OPERATE' THE COMMERCE INCINERATOR RECEIVES TEMPORARY RELIEF.** (See *Waste Not* #39-40).

"...By a 4-1 vote, the quasi-judicial board gave the operators of the state's first trash incinerator until Nov. 1 to install \$500,000 in extra environmental controls and bring the plant into compliance with original permit conditions. Until then, the plant may emit smog-forming pollutants such as carbon monoxide, nitrogen dioxide and sulfur dioxide at a higher rate, above the previously set levels, but only for a limited time during each operating month...For example, the plant now can intermittently emit up to three times the previously allowed amount of sulfur dioxide per hour, but only for 11% of the operating time. The county Sanitation District, operators of the model trash-burning plant, could not meet hourly standards during the last two years of operation. In January, it was cited for violations and denied a final permit by AQMD (Air Quality Management District) engineers. ... (Will) Baca said the new, relaxed pollution limits were set too high and provide no incentive for bringing down emissions during the next six months. 'They are not restrictions. They are a license to pollute,' he said..." *San Gabriel Valley Tribune* 4-20-89. "After receiving several requests, the state Air Resources Board (ARB) has launched an inquiry into air pollution variances granted to the Commerce waste-to-energy plant by the AQMD's hearing board last week. James Morgester, chief of the ARB compliance division, said he has received requests from three people to review the variances: Duarte City Manager Jesse H. Duff, LA Assemblywoman Lucille Roybal-Allard

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Hacienda Heights environmentalist Will Baca. 'In response to those requests we plan to conduct a complete investigation' Morgester wrote...At dispute is a regular variance granted by the AQMD hearing board that allows the trash incinerator to intermittently emit higher levels of smog-forming gases until November than were originally permitted. The petitioners also asked the ARB to review a 90-day emergency variance that allowed the plant to continue operating during the drawn-out hearing process..." San Gabriel Valley Tribune, 4-28-89.

**CALIFORNIA: HDR CONSULTANTS CIRCULATE 'INTERNAL' RESPONSE TO WASTE NOT #s39-40 ON THE FOSTER WHEELER INCINERATOR IN COMMERCE.**

In March, the consultants HDR circulated a 7-page 'internal' information response to **Waste Not #s39-40**, written especially for those communities considering **Foster Wheeler** incinerator proposals. HDR's response was to spell out the arguments for officials to use if they were questioned about the contents of **#s39-40**. Will Baca has prepared a 5-page rebuttal to HDR's 'internal' response. Both HDR'S comments and Will's rebuttal are available from **Waste Not** for \$2. If you wish to receive a copy of issues **39-40** please add another \$1.

**MICHIGAN: NOVEL WAY TO FINANCE JACKSON COUNTY'S 200 TPD INCINERATOR - IMPORT WASTE TO LANDFILL RAW GARBAGE TO MAKE ENOUGH MONEY TO PAY FOR INCINERATOR.**

"...County Commissioners listened in stunned silence as consultants talked of reversing the incinerator's losses and making annual profits of up to \$5 million. Such profits would be possible, the consultants said, if the county agreed to accept garbage from outside the county. Officials from East Detroit's **James V. McTevia & Assoc., Inc.**, presented Thursday's report, which results from a 3-month study of the incinerator and landfill. Although highlighting profits, the consultants told commissioners the \$28 million incinerator cannot pay for itself unless the county accepts waste from other areas. Much of the outside waste would simply be buried in the landfill since the incinerator has the capacity to burn some 73,000 tons a year, and the consultants proposed accepting as much as 250,000 tons. To make the proposal work at the 250,000-ton level, the consultants said the county would have to expand its landfill, plus purchase more land for the future. The new landfill could provide up to five times the amount of space available in the existing 120 acres, the report stated. The talk was a dramatic reversal from what was planned when officials started debating construction of the incinerator years ago. **At that time, the basic reasons for building the facility was to save the county from burying itself in its own garbage...**no commissioner expressed hesitancy about accepting waste from elsewhere...The contractors projected a \$360,028 deficit this year for the facility, in addition to nearly \$1 million already borrowed from another county fund to meet this fall's bond payment. A \$397,000 deficit for 1989 is expected unless changes are made to the incinerator's operations. The facility would not eliminate its accumulated deficits through the year 2013 if current operating methods were continued and out-of-county waste is not accepted...(County Board Chairman Ratchford) acknowledged that the proposal is opposite what was said when

residents were told the county needed an incinerator to reduce its dependency upon landfills...Evaluations made in preparation for the facility should have shown the county didn't have enough garbage, but apparently those projections were wrong, he said...(Consultant **James McTevia**) said people might hesitate about out-of-county waste, but stressed the county must do so in order to see profits. 'The thrust of this report is not to move the county into the landfill business. The thrust of this report is to help you solve the difficult financial problem you have,' he said." The Jackson Citizen Patriot, 11-11-88, Front page. Jackson's 200 tpd mass-burn incinerator went on line in 1987. It is located on the property of the Southern Michigan State PRison and the incinerator supplies steam to the prison. (See **Waste Not #32**).

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