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LAW & GOVERNMENT AFFAIRS

February 28, 2013

VIA ELECTRONIC & U.S. MAIL

Michael Parker, Project Manager
Maine Department of Environmental Protection
17 State House Station
Augusta, Maine 04333-0017

RE: Amendment Application to Accept Municipal Solid Waste from In-State Sources at Juniper Ridge Landfill
#S-020700-WD-BC-A

Dear Mr. Parker:

Enclosed for filing in the above-entitled matter please find the pre-filed testimony of Kevin Nordby of Penobscot Energy Recovery Company ("PERC").

In accordance with the requirements of Paragraph 31 of the Second Procedural Order, PERC consents to having Mr. Nordby testify as a single panel.

In accordance with the requirements of Paragraph 32 of the Second Procedural Order, PERC requests fifteen (15) minutes for Mr. Nordby to briefly summarize his direct testimony.

Should you have any questions about the foregoing, please feel free to contact me.

Sincerely,

Michael K. Mahoney, Esq.

cc: Intervenor List (w/enclosure)

STATE OF MAINE
DEPARTMENT OF ENVIRONMENTAL PROTECTION

IN THE MATTER OF:

STATE OF MAINE BUREAU OF GENERAL SERVICES	)
JUNIPER RIDGE LANDFILL	)
AMENDMENT APPLICATION TO ACCEPT IN-STATE	)
MUNICIPAL SOLID WASTE	)

PRE-FILED DIRECT TESTIMONY
KEVIN NORDBY, PERC

1. My name is Kevin Nordby. I am President of PERC Holdings, LLC, one of the private partners that jointly own and operate the Penobscot Energy Recovery Center ("PERC") located in Orrington, Maine. I have been in the solid waste management and resource recovery industry industry for over 33 years. I have operated various companies including recycling facilities, medical waste incineration, landfills, portable services and solid waste collection, refuse derived fuel processing and WTE facilities

2. The PERC partnership includes PERC Holdings, USA Energy Group and the Municipal Review Committee ("MRC") representing 187 Maine communities. Kevin Tritz, partner in PERC Holdings has over 38 years in the solid waste and Resource recovery industry. USA Energy Group. USA Energy Group, LLC (USA Energy) is a special purpose corporation

with offices at 1970 Oakcrest Avenue, Suite 200, St. Paul Minnesota (55113).). USA Energy was formed in 2003 to own, operate and maintain renewable energy facilities utilizing municipal solid waste, refuse derived fuel, biomass, hydro or similar alternative energy sources in the generation of electricity. In April 2004, USA Energy acquired majority interest and became the Managing General Partner in the Penobscot Energy Recovery Company.

Mr. Noer is the President of USA Energy and has 38 years experience in management and engineering of power plants, including senior executive roles in utilities and independent power production. Mr. Noer was most recently President of Worldwide Operations for NRG. Prior to his position at NRG, Mr. Noer was President of Combustion and Hydro Generation at Northern States Power. Mr. Noer has a degree in Mechanical Engineering.

3. The Penobscot Energy Recovery Company ("PERC") is a fully operational waste to energy facility in Orrington, Maine that produces approximately 25 MW of renewable energy. PERC receives and processes over 300,000 tons of MSW annually.

   The PERC facility and the communities work in partnership to provide reliable, reasonably priced and environmentally responsible waste disposal services to over one-third of Maine households. The unique ownership structure of PERC, including a substantial financial investment by the towns, ensures a high degree of cooperation toward shared objectives. Maintaining stable costs and reliable service is dependent on both consistent application of

state and local waste management policies and on-going, reasonably priced disposal sites for waste-to-energy facility residue.

4. The PERC partners work collaboratively with the Municipal Review Committee ("MRC") , a group of 187 Maine communities whose municipal solid waste is processed at PERC. Eighty-six of these communities, known as the Equity Charter Municipalities, have invested in the facility and now have a roughly 25% ownership stake.

5. On October 29, 2012, PERC entered into an agreement with Casella Waste Systems, Inc. ("Casella") that provides PERC with a long-term, stable delivery of municipal solid waste. The agreement will become effective only if the pending application to allow municipal solid waste at Juniper Ridge Landfill is approved. In the agreement, Casella commits upto 100,000 tons of municipal solid waste per year to PERC from various sources, a substantial portion of which would originate from in-state sources. Specifically, of the 100,000 tons, at least 30,000 tons will be in-state municipal solid waste that formerly was processed at Maine Energy Recovery Center in Biddeford, which closed in December, 2012.

6. The infusion of this new municipal solid waste to PERC is beneficial in multiple respects. First, it helps ensure that PERC will have a waste stream sufficient to allow it to operate at or near maximum capacity on a year-round basis. Second, the 30,000 tons of in-state municipal solid waste will allow PERC to displace a portion of the out-of-state municipal

solid waste that it historically has had to utilize in order to operate at capacity. Finally, the 30,000 tons of in-state municipal solid waste will generate approximately $450,000 of additional revenue for PERC and its partners annually because the out-of-state waste that it is displacing pays significantly lower disposal fees.

7. More broadly, the Casella-PERC Agreement will reduce the amount of municipal solid waste that would be disposed of at Juniper Ridge Landfill by at least 30,000 tons each year, should the pending application be approved. This reduction will result in decreased in truck traffic in and around Juniper Ridge as well.

8. In addition, the Casella-PERC Agreement is consistent with Maine's solid waste hierarchy, which among other things favors recycling and waste incineration over landfilling. First, the Agreement redirects at least 30,000 tons of municipal solid waste to PERC that would have otherwise been landfilled at Juniper Ridge, assuming the pending application is approved. Second, the Agreement contains a recycling section that provides for a robust recycling opportunity for the MRC communities. For every ton that the communities recycle through a Casella facility above current levels, Casella will backfill an equal number of tons of municipal solid waste to PERC. This keeps PERC operating at or near capacity, and at the same time allows MRC communities to aggressively pursue recycling without fear of falling below any minimum municipal solid waste tonnage thresholds they may have with PERC.

VERIFICATION

Date: 2/28/13

Kevin Nordby
Print Name

Signature

STATE OF MINNESOTA)
_____ ss.)

Date: 2/28/13

Then personally appeared the above-named Kevin Nordby and made oath that the foregoing testimony by him subscribed is true and correct to the best of his knowledge, information, and belief. Wherein statements are based on information and belief, he believes them to be true.

Notary Public

VIRGINIA CLAIRE JOHNSON
NOTARY PUBLIC - MINNESOTA
MY COMMISSION EXPIRES 1/31/15

Print Name: Virginia C. Johnson

My Commission Expires: 1/31/15