

# Covanta plant closing has ripple effects

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BDN STAFF

WEST ENFIELD — News that Covanta Holding Corp. is planning to take its local biomass energy plant and one in Jonesboro offline in March has caused one of the company’s biggest suppliers of waste wood to worry about his employees.

“I’m hopeful that something will change,” Brian Souers of Treeline Inc. of Lincoln said Friday. “If it closes, it’s not good.”

Between a quarter and one-third of Treeline’s business is with Covanta, said Souers, who has 65 employees.

Covanta Maine Energy in West Enfield, with 24 employees, and the Covanta Jonesboro Power Station, with 20 employees, will be closing at the end of the quarter because “energy prices are not sufficient to cover the costs of operation and fuel supply,” James F. Regan, Covanta spokesman, said Thursday in a statement.

He said Friday that Morristown, New Jersey,-based Covanta, which owns more than 40 waste-to-energy plants across the country, is not abandoning either of the plants in Maine.

“The future of the facilities will continue to be evaluated,” Regan said. “If the economics improve, they could be restarted, as we have done in the past.”

“We do not expect any impact on local property taxes in the near term [and] we have no plans to file bankruptcy,” Regan said.

While lower fossil fuel costs that make it cheaper for competitors to produce power are a major factor in Covanta taking the plants offline, increased efficiency of plants demanded by renewable energy customers are also to blame, according to an industry expert.

“It’s no coincidence that these closures were announced so soon after the facilities ceased to qualify for the Massachusetts Renewable

Energy Portfolio Standards,” Carrie Annand, Biomass Power Association spokeswoman, said in an email. “As of Jan. 1, 2016, Massachusetts implemented new efficiency standards for biomass facilities, which require biomass facilities to meet standards beyond what is possible for any standalone biomass power plant. Because of the interconnected New England power grid, Maine power facilities can be affected by other states’ energy policies.”

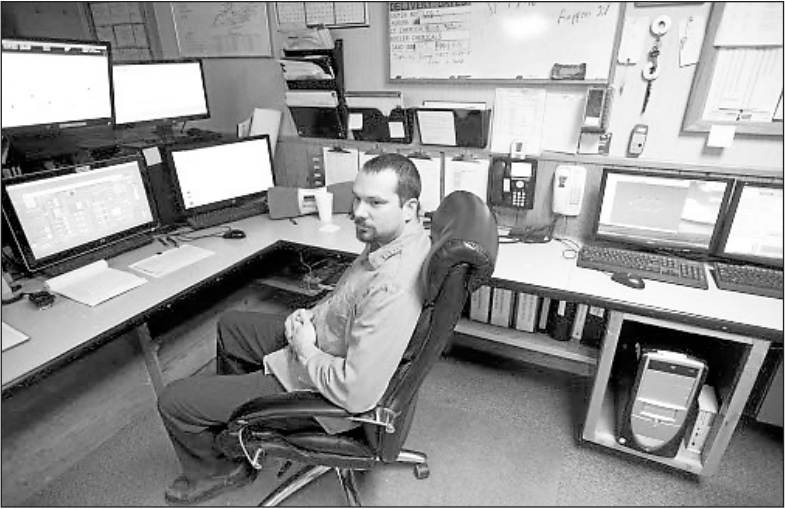
The new Massachusetts standards are based on the overall efficiency of a plant’s wood-burning operation and the amount of greenhouse gases it produces, according to a report by the Clean Energy States Alliance.

Souers said he’s hopeful that Gov. Paul LePage and legislators in Augusta can improve the situation.

“The administration plans to work with the region to ensure that biomass is equitably treated as a renewable resource and that we retain jobs in the biomass industry,” LePage said Friday in a statement.

Dana Doran, Professional Logging Contractors of Maine executive director, said Covanta was able to sell Class 1 renewable energy credits, or RECs, to Massachusetts up until Dec. 31. As renewable generators produce electricity, they create one REC for every 1000 kilowatt-hours (or 1 megawatt-hour) of electricity placed on the grid, according to the Environmental Protection Agency. He said there is a renewable energy market in Maine, but strict requirements limit the number of participants, which is why companies such as Covanta and ReEnergy Holdings LLC, which operates the state’s other four biomass plants, turn to markets in southern New England.

“We may face a similar issue in the beginning of 2018,” Sarah Boggess, ReEnergy company spokeswoman, said Friday. “We participate in the Connecticut renewable



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Chris St. Peter is a control room operator at Covanta Energy’s West Enfield facility. The facility burns biomass to generate electricity.

energy credit program. Unfortunately, we are in the same situation where Maine economics are subject to policies in southern New England.”

Their renewable energy credits with Connecticut lapse at the end of 2017.

Biomass electric power makes up the largest share of renewable energy in Maine, at about 25 percent, according to recent estimates by the U.S. Energy Information Administration. Wood accounts for almost one-third of New England’s entire renewable supply, with Maine supplying a significant amount to the region, according to Biomass Magazine.

“If Maine made policy changes to expand our Class 1 market ... it would send a strong signal,” Doran said.

Establishing incentives for long-term power purchase agreements and a biomass thermal energy credit market, would help biomass plants diversify to make both heat and electricity, which was done in New Hampshire and Massachusetts two years ago, “very, very successfully,”

Doran said.

Boggess said between Covanta and ReEnergy, there are approximately “150 direct jobs and nearly 1,000 indirect jobs” and Eric Dumond, ReEnergy’s wood procurement manager, estimates biomass is a \$50 million industry in Maine. “Hundred of loggers, from Fort Kent to Biddeford rely on our facilities,” Dumond said.

Some that deliver materials to Covanta have already reached out to ReEnergy.

“I have received inquiries,” he said. “Right now, we’re just talking. We can’t take it all, that is for sure.”

Souers said he already takes some wood to ReEnergy, which has plants in Ashland, Fort Fairfield, Livermore Falls and Stratton, and he may inquire about sending more their way but added that “geographically” it is a long way to travel. His hope is that Covanta finds a way to stay operational.

If the Covanta plant in West Enfield closes permanently, “I don’t know how we would avoid layoffs,” Souers said. “It would take some real magic.”

## Market Review

Consolidated Stocks							
	Close	Chg	Div		Close	Chg	Div
3M Co	140.49	-0.48	4.1	InttBsch	23.67	-0.49	0.6
ABB Ltd	16.31	-0.29		JPMorgCh	58.92	-1.35	1.8
AbtVie	55.85	-1.56	2.3	Kohls	47.88	-2.98	1.8
AbtLab	40.67	-0.87	1.0	LillyEli	81.25	-0.16	2.0
AEP	58.26	-0.09	2.2	Loews	35.90	-0.26	0.3
Aeropostl	0.24	-0.02		Lowes	70.88	-1.19	1.1
Aetna	107.07	-3.20	1.0	McDnlds	115.48	-0.18	3.6
AFAC	56.71	-0.50	1.6	Merck	51.08	-0.88	1.8
AK Steel	2.33	...	0.0	MetLife	42.03	-0.48	1.5
ALCATEL LUCENT	40.00	+0.10		Microsoft	52.23	+0.16	1.4
Allergan	299.46	-3.69		Mondelz	40.99	-0.60	0.7
Allstate	58.23	-0.21	1.2	Monsanto	92.79	-0.79	2.2
Altria	58.24	+0.10	2.3	MorgStan	28.38	-0.60	0.6
AMovill	12.16	-0.54	0.5	NewellRub	39.38	-0.95	0.8
Anadarko	40.56	+0.45	1.1	NextEraEn	105.17	+0.47	3.1
Apache	36.85	+0.10	1.0	NipponTT	40.02	-0.18	0.8
ApidMatl	16.79	-0.42	0.4	NokiaCp	7.33	+0.19	0.2
Apple	96.96	+0.51	2.1	NorthropG	186.07	-2.04	3.2
AT&T Inc	33.54	+0.03	1.9	OneokPsr	25.49	+0.35	3.2
Autodesk	55.06	-0.92	0.0	Oracle	34.65	-0.39	0.6
AviatTch	7.40	-0.08		Orange	16.47	-0.14	0.7
BcoSamSA	4.29	-0.13	0.3	Penn Gmng	15.17	+0.19	
BestBuy	28.95	-1.28	0.9	Penney	7.17	-0.09	0.0
BKXNYMEl	37.15	-0.69	0.7	PepcoHold	25.75	+0.13	1.1
BktAm	15.20	-0.30	0.2	PepsiCo	97.21	-0.36	2.8
Boeing	129.99	-3.02	4.4	Pfizer	31.00	-0.40	1.2
BP PLC	28.91	-0.52	2.4	PhillyMor	86.71	-0.54	4.1
BrlkIdAs	28.41	-0.32	0.5	PPL	33.39	-0.15	1.5
BrkMySq	63.63	-1.66	1.5	Praxair	97.85	+0.06	2.9
Caterpillar	63.29	-0.65	3.1	ProctGam	75.97	-1.21	2.7
CBS B	46.46	+1.12	0.6	Prudnt	38.75	-0.19	1.2
CenterPnt	17.81	-0.04	1.0	QstDiag	67.42	-0.73	1.5
Chevron	82.13	-0.89	4.3	Rayonier	20.51	-0.50	1.0
Citigroup	46.13	-1.43	0.2	Raytheon	121.79	-1.21	2.7
CocaCola	41.51	-0.11	1.3	ReynAmer	47.12	-0.11	1.4
Coming	11.15	+0.05	0.5	RylCarb	91.78	-0.65	1.5
Deere	73.76	-1.23	2.4	Schwab	29.00	-0.18	0.2
Disney	99.25	-0.25	1.4	SeersHlgs	18.03	-0.33	0.0
DowChem	46.28	-0.52	0.9	Sherrin	241.77	+0.20	2.7
DukeEnrg	71.04	-0.16	3.3	SiderurNac	0.77	+0.01	0.1
DuPont	30.73	-0.36	1.9	Siemens	90.61	...	3.8
ExxonMbl	74.69	-1.54	2.9	SonyCp	23.00	-0.27	0.1
Facebook	93.33	-0.59		Starbucks	56.63	-0.06	0.8
FedExCp	34.71	+0.12	1.0	StwsAirEn	42.21	+0.26	0.3
FidNFIN	132.33	-0.90	0.8	Symantec	20.49	-0.01	0.6
FidNatInfo	58.13	-1.06	1.0	Target	71.38	-2.50	2.2
FrontierCm	4.67	-0.02	0.4	Textron	39.07	-0.45	0.1
GenElec	28.45	-0.52	0.9	TimeWarn	182.93	+1.73	3.0
GlaaSxKin	39.42	+0.41	2.4	Toyota	113.06	-2.51	3.6
GoldmanS	162.94	-0.68	2.6	Travelers	105.99	-0.45	2.4
Google	714.47	-11.92		UPS B	91.39	-1.21	2.9
Hershey	84.92	-0.78	2.3	ValeroE	68.26	-3.83	2.0
HewlettP	10.58	-0.19	0.5	Vodafone	32.54	+0.91	1.7
Hitachi	53.50	...	1.0	WalterEn	0.01	...	0.0
HomeDep	123.90	-1.50	2.4	Waste Mngt	52.35	-0.32	1.6
Honda	28.89	-0.61		WellsFargo	49.56	-0.84	1.5
IBM	131.63	-1.23	5.2	Yahoo	30.63	+0.47	
Intel	31.51	-0.33	1.0	Zimmer	101.55	-0.43	0.9

Indexes									
	52-Wk High	52-Wk Low	Close	Chg	Chg%	Yr	Mo	Qtr	1 Yr. Chg%
Dow Jones indus.	18351	15370	16346.45	-167.65	-1.02	▼	▼	▼	-8.72
Dow Jones Transport	9215	6946	6946.36	-49.03	-0.70	▼	▼	▼	-22.49
Dow Jones Utility	657	540	578.82	+1.31	+0.23	▲	▲	▲	-7.63
Nasdaq composite	5232	4292	4643.63	-45.80	-0.98	▼	▼	▼	-1.95
NYSE AMEX composite	2556	2027	2027.36	-23.42	-1.14	▼	▼	▼	-15.49
NYSE composite	11255	9510	9528.77	-121.65	-1.26	▼	▼	▼	-11.78
S&P 500	2135	1867	1922.03	-21.06	-1.08	▼	▼	▼	-6.79
S&P Mid cap 400	1551	1308	1308.48	-18.01	-1.36	▼	▼	▼	-9.96
Wilshire 5000	22537	19619	19667.10	-222.43	-1.11	▼	▼	▼	-8.33
Russell 2000	1296	1046	1046.20	-18.36	-1.73	▼	▼	▼	-12.53

Local Stocks									
	52Wk H	52Wk L	Close	Chg	Chg%	Yr	Mo	Qtr	Div
Bank of America (BAC)	18.48	14.60	15.20	-0.30	-1.94	▼	▼	▼	-9.69 11.5 0.2
Bar Harbor (BHB)	37.98	28.97	31.65	-0.71	-2.19	▼	▼	▼	... 13.2 1.0
Camden Nat'l (CAC)	47.49	36.20	42.30	...	...	▼	▼	▲	-4.06 12.5 1.2
Cisco (CSCO)	30.31	23.03	24.78	-0.63	-2.48	▼	▼	▼	-8.75 13.6 0.8
Delhaize (DEG)	25.14	18.44	24.04	+0.02	+0.08	▼	▲	▲	-1.03 31.2 0.4
Domtar (IFS)	48.30	33.44	33.44	-0.28	-0.83	▼	▼	▼	-9.50 13.9 1.6
Dover (DOV)	78.21	55.50	57.84	-0.50	-0.86	▼	▼	▼	-5.66 14.9 1.7
Fairchild SC (FCS)	21.71	12.22	21.05	+0.17	+0.81	▲	▲	▲	+1.64 0.0
General Dynamics (GD)	153.76	130.19	130.19	+0.61	-0.47	▼	▼	▼	-5.22 14.7 2.8
General Electric (GE)	31.49	19.37	28.45	-0.52	-1.79	▼	▼	▼	-8.67 0.0 0.9
HCA Holdings (HCA)	95.49	43.91	64.27	-0.02	-0.03	▼	▼	▼	-4.97 13.5
Idexx Labs (IDXX)	168.51	61.58	69.10	-1.71	-1.02	▼	▼	▼	-5.24 38.0
ImmuCell (ICCC)	11.40	5.01	7.89	+0.06	+0.77	▲	▲	▲	+4.64 23.3
International Paper (IP)	57.90	35.90	35.90	-0.39	-1.07	▼	▼	▼	-4.77 16.9 1.8
KeyCorp (KEY)	15.70	11.92	11.92	-0.26	-2.13	▼	▼	▼	-9.63 11.4 0.3
Kimberly-Clark (KMB)	130.05	103.04	125.23	-1.63	-1.28	▼	▼	▲	-1.63 85.3 3.5
Lake Superior Bank (LSBG)	16.35	13.50	13.75	-0.14	-1.04	▼	▼	▼	-2.00 12.0 0.6
Northeast Bancorp (NEBN)	11.02	8.86	10.23	-0.23	-2.20	▼	▼	▼	-2.57 13.8 0.0
People's United Fin (PBCT)	16.95	13.97	14.95	-0.30	-1.97	▼	▼	▼	-7.43 18.1 0.7
Plum Creek Timber (PCL)	51.63	36.95	44.43	-0.51	-1.13	▼	▼	▼	-6.89 34.1 1.8
PNC (PNC)	100.52	81.84	87.96	-1.32	-1.48	▼	▼	▼	-7.71 12.0 2.0
RR Donnelley (RRD)	20.22	12.82	12.82	-0.41	-3.10	▼	▼	▼	-12.91 27.1 1.0
Suppli Limited (SPJY)	4.53	2.67	4.00	...	...	▼	▲	▲	... 0.0
State Street (STT)	81.26	58.65	58.65	-1.57	-2.61	▼	▼	▼	-11.62 14.1 1.4
Sysco (SY)	42.03	35.45	39.80	+0.01	+0.03	▼	▼	▼	-2.93 36.5 1.2
The First Bancorp (FNLC)	22.56	16.20	19.02	-0.33	-1.71	▼	▼	▼	-7.08 13.1 0.9
United Technologies (UTX)	124.45	85.50	90.40	-1.50	-1.63	▼	▼	▼	-5.90 14.0 2.6
Unum Group (UNM)	38.15	29.81	30.42	-0.39	-1.27	▼	▼	▼	-8.62 21.0 0.7
Verizon Comm (VZ)	50.86	38.06	44.83	-0.44	-0.97	▼	▼	▼	-3.01 18.8 2.3
WalMart (WMT)	90.97	56.30	63.54	-1.49	-2.29	▲	▲	▲	+3.65 13.9 2.0

Currencies				
	Last	Chg	Qtr	Year
Euro	0.915	unch.	+0.035	+0.067
British Pound	0.689	+0.005	+0.036	+0.026
Canadian Dollar	1.417	+0.005	+0.123	+0.234
Japanese Yen	117.46	-0.210	-2.790	-2.190
Mexican Peso	17.935	+0.098	+1.506	+3.272
Swiss Franc	0.995	+0.002	+0.034	-0.023
Israeli Shekel	3.931	+0.008	+0.105	-0.023
Norwegian Krone	8.860	-0.027	+0.783	+1.240
South African Rand	16.317	+0.253	+2.980	+4.736

Commodities				
Energy	Units	Date	Close	Chg
Crude oil NYM	\$/Barrel	Feb	33.16	-0.11
Natural gas NYM	Mil. BTU	Feb	2.47	+0.09
Heating oil NYM	Gallon	Feb	1.05	-0.01
Gasoline NYM	Gallon	Feb	1.13	-0.02
Metals				
Gold CMX	\$/1oz.	Jan	1097.80	-9.90
Silver CMX	\$/1oz.	Feb	13.91	-0.43
HG Copper CMX	\$/Lb.	Jan	2.02	unch.
Platinum NYM	\$/1oz.	Jan	877.10	+0.70
Agricultural				
Soybean CBT	c/5000 BSL	Jan	879.50	+2.50
Corn CBT	c/5000 BSL	Mar	357.00	+4.00
Wheat CBT	c/5000 BSL	Mar	478.50	+10.00
Live cattle CME	c/4000 Lbs	Feb	132.88	-0.65
Treasuresies				