

ENVIRONMENTAL QUALITY ADVISORY COUNCIL

Resolution Supporting County Purchase of the Energy Resource Recovery Facility

February 9, 2011

WHEREAS, the Energy Resource Recovery Facility in Lorton is currently owned and operated by Covanta Fairfax, Inc; and

WHEREAS, Fairfax County has the ability to purchase the incinerator because of a clause in the existing contract; and

WHEREAS, three options regarding the long-term disposition of the facility have been identified: A “no action” alternative through which the county’s lease with Covanta would not be renewed (option 1); an option through which the county would rent the facility from Covanta (option 2); and an option through which the county would purchase the facility (option 3).

WHEREAS, the cost in relation to the benefit of option 1 (no action) and the potential for additional cost growth associated with an as yet to be determined alternative for disposal of the county’s solid waste are unacceptably high risks relative to options 2 (rent) and 3 (purchase);

WHEREAS, outsourcing a commercial facility to a contractor is appropriate when the contractor assumes risks, but in this situation, the contractor would not be accepting sufficient risk to provide an advantage to Fairfax County in renting the facility from Covanta;

WHEREAS, the rent option as currently structured would reduce the county’s share of revenues from energy sales from current levels, thereby increasing opportunity costs associated with such revenues in relation to the purchase option.

WHEREAS, underestimation of costs would increase costs to county residents most if the facility is not owned by Fairfax County;

WHEREAS, purchase of the incinerator provides flexibility on controls, which allows the county to be more responsive to neighborhood concerns and to explore options such as carbon sequestration, which should make any Renewable Energy Credits associated with the facility more attractive for sale;

THEREFORE BE IT RESOLVED that the EQAC recommends that the Fairfax County Board of Supervisors purchase the Energy Resource Recovery Facility.