



## Media Release – 14 March 2018

### **HZI consortium signs 20-year Waste Supply Agreement with the EMRC & named Preferred Tenderer by City of Cockburn**

PERTH, AUSTRALIA: A consortium led by Hitachi Zosen Inova (**HZI**) has signed an agreement with the Eastern Metropolitan Regional Council (**EMRC**) for the supply of waste to the East Rockingham Resource Recovery Facility for a minimum of 20 years.

The East Rockingham Resource Recovery Facility (**RRF**) will convert approximately 330,000 tonnes of waste per year into clean, renewable energy, producing 28MW of baseload electricity -- enough to power 36,000 homes. The project represents a \$400 million private sector investment in the Perth metro area, creating 300 jobs during construction and 50 full-time jobs throughout its 30+-year operating life.

The agreements set a benchmark in the Perth market for waste to energy projects in terms of flexibility and value for money. This marks the evolution in the contracting model from a potentially punitive “take-or-pay” structure in favour of a “service provider” model that supports higher order utilisation or recovery of waste resources.

Under the terms of the agreements, the EMRC’s participating member councils will supply their residual waste to the RRF on a “waste arising basis”; i.e., they’ll only pay for capacity they use. This means there is no penalty for councils who successfully implement landfill waste reduction schemes, such as introducing a 3<sup>rd</sup> bin for compostable organic waste.

The alternative “take or pay” structure can lead to financial penalties for customers if committed volumes are not met. That model has been adopted by some councils in the Perth metro area but was considered less attractive to the EMRC, its participating councils and their rate payers, for their own tender process.

New Energy Chairman Enzo Gullotti commented, “We support waste minimisation and composting, should councils choose to do that. It’s an important part of our social licence to operate our RRF over the long term. We’ll deliver the EMRC the best possible environmental outcome for residual waste streams and certainty of price over the period of the contract. This presents a real opportunity to divert waste from landfill and deliver value for money to the ratepayers of the EMRC councils.”

The East Rockingham Resource Recovery Facility will divert from landfill 95% of waste it receives from the EMRC. Landfilling is recognised as the least preferred disposal method for waste in terms of risk to human health and the environment. Landfilling releases methane, which is 25 times more harmful to the environment than CO<sup>2</sup>.

Local Government authorities, as the bodies responsible for disposing municipal solid waste (MSW) from households, have a particularly poor track record in diverting waste from landfill. In 2015-16, 1.15 million tonnes of MSW was landfilled in WA. In the Perth metro area only 36% of MSW was diverted from landfill, a result that the Chair of the Waste Authority describes as “*much lower than acceptable*”.



Mr. Gullotti noted, “The EMRC should be commended for showing leadership in diverting waste from landfill. This signing represents the delivery of a strategic commitment the EMRC undertook back in 2000 in this regard. It’s not only a win for the environment but also for the member council ratepayers who are now insulated from the ever-increasing cost of landfilling, due at least in part to the State’s rising landfill levy”.

The project received another significant milestone on March 8<sup>th</sup> when it was accepted as the Preferred Tenderer by the City of Cockburn for a 20 year waste supply agreement. City of Cockburn spokesman Mr Lyall Davieson said, “the EfW process is environmentally favourable to landfill in that valuable materials are converted for energy production. There is also potential for the City to purchase the electricity produced by processing waste”.

The consortium that has developed and will deliver the project is led by HZI, the world leader in technology supply and turnkey delivery of waste-to-energy projects. HZI’s other partners in the project are New Energy Corporation (**New Energy**), a Perth-based waste-to-energy business which has been developing the East Rockingham site since 2013, and Tribe Infrastructure Group (**Tribe**), an international advisory and investment firm specialising in the development and financing of complex infrastructure transactions.

**Project Draws on Decades of Experience Worldwide**

HZI will act as the technology provider, engineering and construction contractor and will execute a long-term operations and maintenance contract for the project in joint venture with New Energy. HZI’s proprietary moving grate combustion technology is the best of its kind globally and is the technical foundation of the facility. HZI has successfully installed this technology in over 500 projects worldwide.

HZI Managing Director Australia, Dr. Marc Stammbach, emphasized the company’s long-term experience of successfully developing, constructing and operating waste-to-energy plants worldwide.

“HZI is a clear leader in the waste-to-energy market worldwide,” Dr. Stammbach said. “We have successfully delivered projects in major global capitals such as London and Paris. Importantly, we stay with the project from conception through construction, and, once the project is commissioned, we then lead the operations and maintenance activities for the life of the plant. This continuity will ensure Perth’s first waste-to-energy project is a successful one”.

“The WA Environmental Protection Authority has benchmarked European Standards as best-practice for waste-to-energy technologies and emissions. HZI has been successfully building and operating facilities to these standards for many years and are continuing to win new work on this basis”, Dr. Stammbach said.

The consortium is now working through pre-engineering and the update of the site environmental approval. The project is scheduled to start construction in Q3 2018.

**Fact Sheet**

Developer	HZI, New Energy and Tribe Infrastructure Group
Operator	JV between HZI and New Energy
Location	Located in the Rockingham Industry Zone, Lot 1 Office Road, East Rockingham
Turn-key contractor	HZI in partnership with a local construction company



Waste type	Residual waste from municipal and commercial customers
Number of lines	1
Annual capacity	330,000 tpy
Throughput per line	37.5 tonnes per hour
Thermal capacity per line	101.8 MW
Grate type	Hitachi Zosen Inova grate
Flue gas treatment	SNCR, Hitachi Zosen Inova Dry system
Recyclables	Aggregates and metals

End Statement



### **About Hitachi Zosen Inova**

Zurich-based Hitachi Zosen Inova (HZI) is a global leader in energy from waste (EfW), operating as part of the Hitachi Zosen Corporation Group. Formed from the former Von Roll Inova, HZI acts as an engineering, procurement and construction (EPC) contractor delivering complete turnkey plants and system solutions for thermal and biological EfW recovery. Its solutions are based on efficient and environmentally sound technology, are thoroughly tested, can be flexibly adapted to user requirements, and cover the entire plant life cycle. The company's customers range from experienced waste management companies to up-and-coming partners in new markets worldwide. HZI's innovative and reliable waste and flue gas treatment solutions have been part of over 500 reference projects delivered since 1933. To find out more about HZI, please visit [www.hz-inova.com](http://www.hz-inova.com)

### **About Tribe Infrastructure**

Tribe Infrastructure Group is an independent infrastructure and utilities investment and advisory firm based in Abu Dhabi, UAE. Tribe's proprietary investment and development arm was established in 2016 to complement its highly credentialed advisory practice. Tribe actively mobilises private capital to realise unique opportunities, harnessing its natural competencies in structuring and execution of projects to take early-stage investment opportunities through to successful financial close, construction and operation. Tribe focuses on development opportunities in sectors and geographies that correspond to the skills and experience of the senior leadership team, in particular energy from waste, district cooling and sustainable agriculture, in the Middle East, South-East Asia and Australia.

### **About New Energy Corporation**

New Energy Corporation Pty Ltd (New Energy) is a leader in the emerging Waste to Energy market globally.

Our vision is a world with  Zero Landfill™ where waste fuels a sustainable future.

Our mission is to generate renewable energy from waste diverted from landfill. We will achieve this by using the commercially proven Australian Entech Waste to Gas ("WtGas-RES™") low temperature gasification technology, which is supported by an Executive Management team with extensive experience in Sustainable Waste Management practices.

New Energy is committed to sustainable business practices for both the environment and the communities in which we operate in. [www.newenergycorp.com.au](http://www.newenergycorp.com.au)

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