

COVANTA ENERGY PRESS RELEASE

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Euro decisions could impact UK's Renewable energy options

Planning, developing and delivering a network of renewable energy infrastructure is one of the UK government's biggest challenges. With a target of 30% of electricity to be produced from renewable sources by 2020, from a current position of 6.6%*, there is much to do. This week's announcements that both Switzerland and Germany are to turn away from nuclear in favour of renewables increases the urgency with which the UK must clarify its renewable energy strategy and address the remaining barriers to development if it is to remain in the sightlines of those global companies that are planning to invest in this sector.

Covanta Energy, the world's largest Energy-from-Waste (EfW) provider, is today warning that these new European developments, together with question marks over the finances associated with indigenous ageing gas fields, make it more critical than ever that the UK's policy and decision makers recognise the need to exploit the full potential of all renewable technologies, especially those like EfW that contribute base-load capacity. As wind and solar power take the lion's share of headlines, Covanta's UK Managing Director Malcolm Chilton points out that these two technologies alone cannot meet future requirements in full.

"The UK requires a mix of renewable technologies to get anywhere close to our target of 30% by 2020. Energy-from-Waste is a tried and tested solution which is widely used across the world to divert waste that cannot sensibly be recycled away from landfill and instead use it as a fuel to create renewable electricity.

"Importantly, unlike some other newer renewable solutions, the EfW process is tried and tested. We have 44 plants worldwide diverting 18 million tonnes of waste from landfill each year, producing 9 million megawatt hours of electricity. Equally important is the fact that this technology provides a continuous energy source which, unlike wind or solar, is not restricted by weather conditions."

An added benefit of EfW is that it reduces greenhouse gas emissions, through the reduction of methane produced by landfill and the reduced reliance on fossil fuels.

Chilton says that it is important that the UK refocuses its renewable energy debate to encompass more than wind, solar and the raft of other technologies that offer unproven or smaller scale solutions.

"Energy-from-Waste is an important and growing part of the UK's renewable solution and this must be communicated widely to ensure that those making infrastructure decisions both nationally and locally, and those who plan to invest in the delivery of the infrastructure, are on the same page.

"As other European countries extend their renewable programmes to move away from both nuclear and fossil fuels, it's more important than ever that the UK clarifies its plans to support

the development of renewable energy infrastructure. If not we could see the inward investment that we require moving elsewhere.”

*6.6% figure from Department for Energy and Climate Change.

ENDS

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Notes to editor:

- Covanta is the world’s leading Energy-from-Waste (EfW) provider with more than 25 years’ experience in the industry.
- Covanta operates 44 facilities worldwide and treats more than 18 million tonnes of municipal waste every year.
- Covanta Energy entered the UK market in 2005, with an office in the West Midlands, and is building a team to manage the company’s UK operations.
- Covanta’s Energy-from-Waste system is the most affordable and practical solution for treating residual waste. By investing in larger plants, Covanta is able to maximise economies of scale and pass these savings on to the local authority.
- Covanta uses modern, efficient and proven EfW technology designed to operate well within stringent EU standards.
- Covanta’s system enables local authorities to significantly reduce the amount of waste sent to landfill and guarantee they meet their landfill diversion targets.
- Covanta undertakes all design, construction and project management elements when developing new sites; reducing the risk and additional cost of using turnkey contractors.

About Covanta Energy

Covanta Holding Corporation (NYSE:CVA), is an internationally recognised owner and operator of large-scale Energy-from-Waste and renewable energy projects and a recipient of the Energy Innovator Award from the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy. Covanta's 44 Energy-from-Waste facilities provide communities with an environmentally friendly solution to their solid waste disposal needs by

using that municipal solid waste to generate energy, the majority of which is considered to be renewable. Annually, Covanta's modern Energy-from-Waste facilities safely and securely convert over 18 million tonnes of waste into more than 9 million megawatt hours of electricity and generate over 4 million kg of steam that are sold to a variety of industries. For more information, visit www.covantaenergy.com.