



NEWS RELEASE

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PERC OWNERS AND MRC WITHDRAW LAWSUITS AND RESOLVE ISSUES RELATED TO THE END OF THEIR BUSINESS RELATIONSHIP IN 2018

BANGOR, Maine – The managing general partner of the Penobscot Energy Recovery Company (PERC), a waste-to-energy plant in Orrington, and the organization that represents most of the Maine municipalities that have brought their trash to the facility for three decades, have withdrawn their respective lawsuits against each other and reached an agreement that clarifies how they will wrap up their business relationship at the end of March 2018.

In 2014, the Municipal Review Committee (MRC) filed suit against USA Energy Group, LLC, PERC's majority owner, and USA Energy subsequently filed a countersuit against the MRC. Both lawsuits have been dismissed with prejudice, meaning that they cannot be brought back. No judgement was entered against either party, and neither one will receive any payments as a result of the lawsuits.

The settlement does, however, resolve and clarify a number of business issues related to the wind up of the existing arrangements between the municipalities and PERC.

“This is a win-win for PERC and the MRC, as well as the communities we serve,” said John Noer, president of USA Energy. “We are pleased to put the litigation behind us and to be able to now direct all of our energies to serving our customers and implementing our post-2018 operating plan.”

“We are pleased to have reached a fair settlement and wind up of our existing relationship with PERC. This agreement allows both parties to move forward with their respective plans to provide service post-2018 while providing predictability as the parties wind up their existing business relationship at the end of March 2018,” said Greg Louder of MRC.

Details of the settlement include the following items:

- A re-stated partnership agreement which clarifies the process for wrapping up the existing partnership between PERC’s private partners and the municipalities that collectively own 23% of the PERC facility and that are represented by the MRC;
- An agreement for communities that have an ownership in PERC (Equity Charter municipalities) to sell their interest to PERC’s private partners. Those equity charter municipalities that have a post-2018 waste disposal agreement with PERC will have the opportunity to remain owners; and
- A guaranteed stream of cash distributions for MRC communities for the remaining term of the existing agreements

Both sides said the agreement brings certainty to the termination process and allows them each to go their separate ways in a clear, orderly, and amicable fashion once their current waste disposal contract expires at the end of March 2018.

The initial framework for settlement was reached in late August and signed by both parties this week, following several months of discussions and negotiations about the many details in the agreement. The MRC board approved the agreement at the annual membership meeting on December 14, 2016. It takes effect immediately.

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