

CASELLA RESOURCE SOLUTIONS

NERC – Sustainable Materials Management

November 13, 2017

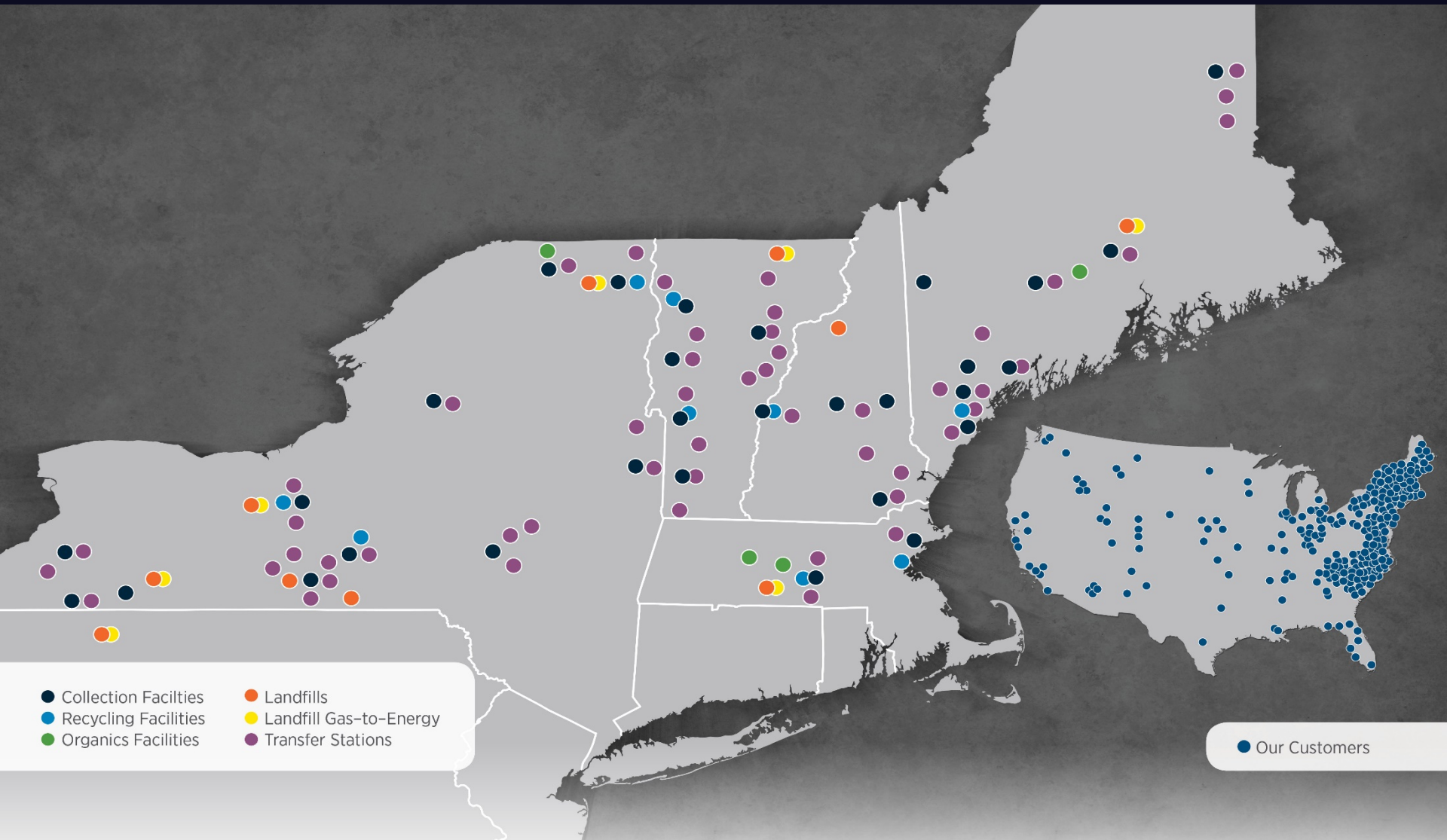


Casella Company Overview:

- Founded in 1975 with one truck
- 2,000 employees serving over 170,000 customers
- Over \$565M in annual revenue
- Operating in MA, ME, NH, NY, PA, and VT
- Vertically integrated collection, transfer, disposal and recycling operations
- Provide professional resource management services to over 10,000 locations in over 45 states
- Recover over 800,000 tons of recycling and over 450,000 tons of organics for beneficial use each year
- Cut companywide carbon emissions by 50% since 2005



Casella Assets and Customers



- Collection Facilities
- Recycling Facilities
- Organics Facilities
- Landfills
- Landfill Gas-to-Energy
- Transfer Stations

● Our Customers

Casella's Resource Management Services

Sourcing & Logistics	Chain of Custody	Commodity Management	Site Services
<ul style="list-style-type: none"> - Vendor consolidation, management and compliance - Proprietary network of over 800 qualified vendors - Transportation and logistics, processing, special, and regulated material services 	<ul style="list-style-type: none"> - Certificates of destruction - Emergency services - Non-salable/expired goods - Clean-outs and plant rebuilds 	<ul style="list-style-type: none"> - Specialty recycling services - Equipment and process flow - Price sensitivity & market transparency - Material reuse 	<ul style="list-style-type: none"> - Dedicated resources - Program management and execution - Safety & compliance - Training & development - Certifications (OSHA 10-hour, RCRA, hazwoper, etc.)
Multi-Site & Large Account Management	Casella Environmental Assets	Sustainability Consulting	Continuous Improvement
<ul style="list-style-type: none"> - Consolidated billing and customized reporting - Vendor management - Dedicated account management - Centralized customer service & dispatching - Gain Share 	<ul style="list-style-type: none"> - Collection vehicles - Containers and equipment - Recycling - Organics - Disposal - Transfer 	<ul style="list-style-type: none"> - Zero waste planning - Material efficiency and resource management - System engineering and design - Equipment and innovation 	<ul style="list-style-type: none"> - Baseline development - KPI tracking - Goal setting and orientation - Program reviews - Budget v. actual

Leveraging Innovative Partnerships to Drive Material Efficiency - ARC

Aggregation & Recovery Collaborative: On their journey to zero waste, many of our customers have reached a point where the path gets steeper. What fills their dumpsters today is a miscellany of *stuff* that is unique to their business, with no off-the-shelf recovery solution.

Benefits

- Enable innovative recovery solutions through risk- and reward-sharing
- Efficient access to reuse and recycling markets
- The model can be replicated in any geography, and tailored to handle any combination of materials

Business Model

- ARCs have an innovative, yet flexible, business model built around aligned incentives, modular equipment, and revenue transparency.
- The scope extends from point-of-generation through to commodity marketing.
- The approach resists “technology for the sake of technology” and focuses instead on practical problem-solving and a “get the job done” attitude.

Leveraging Innovative Partnerships to Drive Material Efficiency - ARC

Innovative Partnerships

- Establishing a successful ARC requires very close collaboration among the partnering stakeholders
- Casella brings expertise in logistics, handling, processing equipment, and commodity markets
- Generator partners bring a commitment to waste reduction, volumes of recyclable items, and in some cases, tangible assets such as equipment, vehicles, or warehouse space.
- Most importantly, all partners contribute a willingness to work together to create enduring solutions to serve their unique local materials recovery needs.

Case Examples

- Well established ARC located in Lebanon, NH supporting the recovery of myriad materials for dozens of generators
- Evaluating similar concepts in Central Vermont and Central NY

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Case Examples

- Well established ARC located in Lebanon, NH supporting the recovery of myriad materials for dozens of generators
- Well established partnership located in Weymouth, MA focused on the recovery of packaged beverage and food products
- Established industrial recycling operation located in Central NY supporting dozens of major manufacturers – evaluating opportunity to support market recovery needs through customer partnerships
- Evaluating similar concepts in Central Vermont through a combination of manufacturers, institutions and other businesses

Lebanon ARC - Model

THE LEBANON ARC

Location: Lebanon, NH

Square footage: 5,000

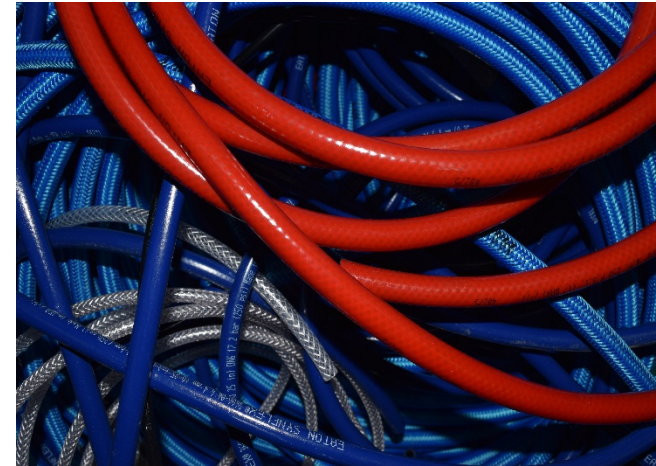
Equipment: balers, scales, and a plastics grinder

Staff: 3 full-time Casella employees

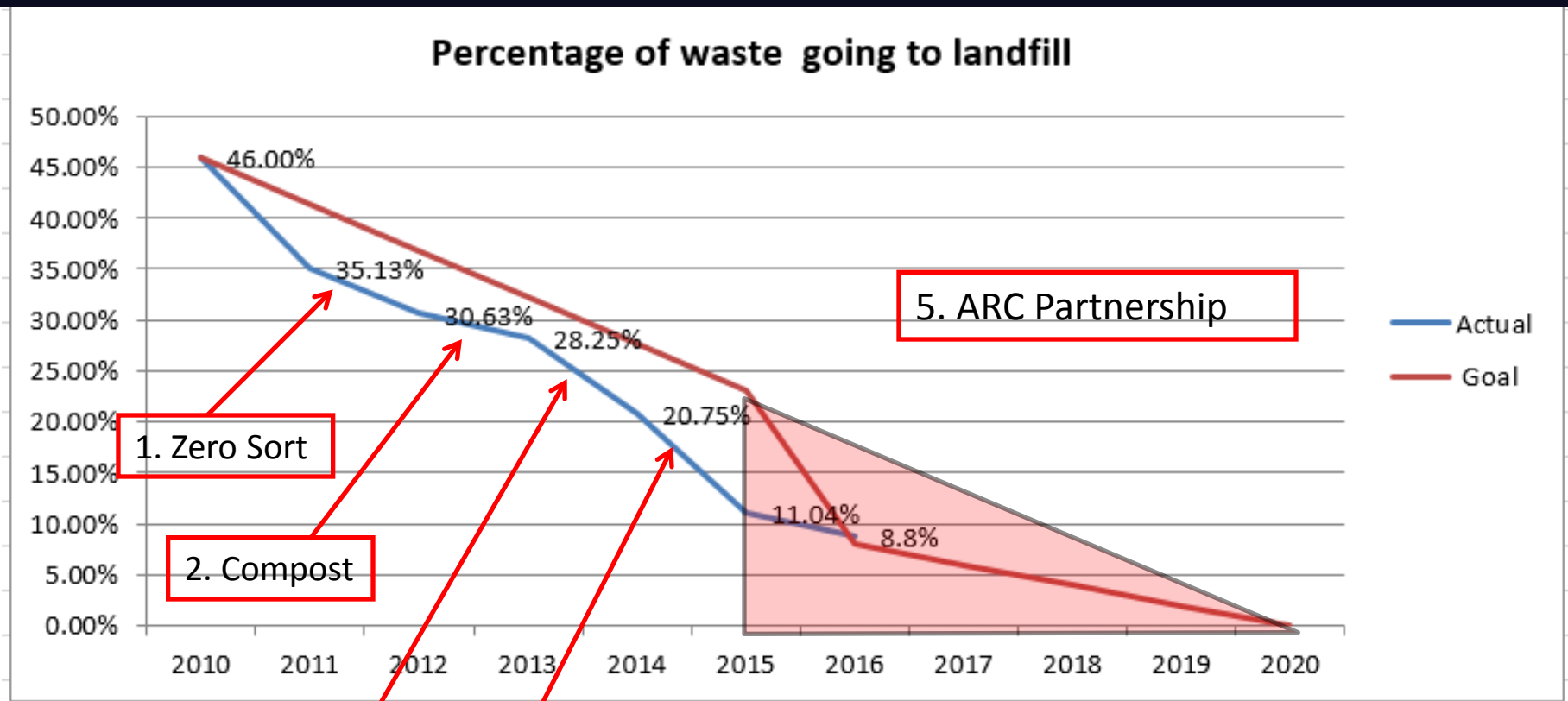
Materials Handled: >50 tons per month of loose, baled, super-sacked or ground film plastics, rigid plastics, plastic tubing and hosing, plastic and wooden reels, label backing, cardboard, metal, blue wrap and other unique hard-to-recycle items

Customers/Industries served: Hypertherm, plastic molders, food manufacturers, healthcare, colleges printing, and other regional businesses

Business model: 90-day baseline & program initiation, access to warehouse space, royalty payments, and aligned partnership milestones and goals.



Lebanon ARC - Results



1. Zero Sort

2. Compost

3. Wood Recycling

4. Non-Ridged Plastic Recycling

5. ARC Partnership

YTD 5.8% waste to disposal

Depackaging Operation

DEPACKAGING & PRODUCT DESTRUCTION

Location: Weymouth, MA

Inbound form: cased, crated, bucketed, drummed or loose

Products recovered: damaged, off-spec, out-of-code or otherwise non-saleable -soft drinks, concentrates, flavorings, dressings, fruit juices, yogurt, dairy, milk, sports/energy drinks, water, wine, beer, other food and beverage products

Packaging Recovered: aluminum, glass, plastics, aseptic, paper, cardboard

Customers/Industries served: beverage, dairy, food, distributors, beer/wine/spirits



Leveraging Partnerships - Closing thoughts

- Enables innovation and is a nimble way to deploy capital
- Risk-reward sharing model and fosters a pioneering spirit among stakeholders
- Enables the recovery of difficult-to-manage, specialty recyclables or other commodities through aggregation from like organizations
- Logistics and access to “anchor” generators/material is key
- Provides a pragmatic, innovative solution to solving a complex sustainability initiatives – diversion, efficient material handling, cost-reduction, smart capital deployment, community engagement, etc.
- Addresses public policy challenges
- Sum of the whole is greater than the parts

For more information visit:

casella.com



RESOURCE SOLUTIONS

RECYCLING | COLLECTION | ORGANICS | ENERGY | LANDFILLS